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Berisha Criticizes 'Unacceptable' Selami Conduct

AU0103164995 Tirana RILINDJA DEMOKRATIKE in Albanian 22 Feb 95 p 1

[Statement by presidential spokesman; place and date not given: "It Is Not a Difference of Opinion, But Rather a Difference in Position"]

[FBIS Translated Text] The presidential spokesman has stated that President Berisha, in his speech to the Democratic Party [PD] National Council on 20 February, after analyzing the country's latest political developments and informing the Council of the further acceleration of reforms in Albania and its integration into Europe, said he considered unacceptable:

- Mr. Selami's attempts to become a prime minister within a very short time after the Meksi government had gained the latest vote of confidence in the legislature.

- His insistence on changing the scheme of the country's government at a time when the latter was successfully working to deepen and speed up reforms.

- His unmotivated request to resign as party chairman.

- His going against the PD's decision on this issue.

At this point, it is not a difference of opinion anymore but rather a difference in positions. The PD chairman is obliged to adhere to the National Council's decisions and not make his own the position of the PS [Socialist Party], which in practice has shown itself to be extremely disruptive on the issue of the Constitution by walking out of the parliament in June 1993, as well as in the case of the referendum.

As for Mr. Selami's claims that the president allegedly proposed his dismissal at yesterday's meeting, we confirm that this is not true. In his speech, the president stated the following: "...I would not agree to solving this problem by dismissing Mr. Selami; however, I think the problem needs to be discussed among the members of the PD at its extraordinary conference."

As far as Mr. Selami's statements are concerned, the president has expressed his regret and believes that they were made carelessly, as a result of hastiness on his part.

Meksi Briefs, Thanks Herzog for German Assistance

AU0103174295 Tirana TVSh Television Network in Albanian 1900 GMT 28 Feb 95

[Report by Vjollca Vokshi]

[FBIS Translated Text] At 1600 this afternoon, Council of Ministers chairman Aleksander Meksi received German President Roman Herzog at the premier's office in the presence of Ministers Serreqi, Brojka, Xhaja, Zhulali, and of Selim Belortaja, state secretary for Foreign Relations. It is understood that the main topic of the talks was bilateral economic cooperation, as well as Albania's policy in the Balkan region.

Meksi availed himself of this excellent opportunity to thank the German Government and President Herzog for the assistance Germany has continuously granted Albania, particularly at its most difficult moments in the transitional period. This has been at a time when about 28 percent of EU aid for Albania has been of German provenance.

Meksi gave a short briefing on the economic reforms in Albania over the past three years, concentrating mostly on the process of privatization and achievements in other sectors of the economy.

They later exchanged views and Herzog showed a lot of interest in learning more about small and medium-sized Albanian industry, as well as the energy industry. He showed great interest in the chromium and copper industries and particularly in investment in the energy industry. For Herzog, the most important sectors are those involving the energy distribution network.

Albania's integration into the Council of Europe is of great interest to President Herzog and he gave assurances of Germany's total support for any initiative related to Albania's becoming a member.

Seeking Germany's further support for projects that have already started, Meksi said that Germany's current support for Albania's integration into Europe was extremely important.

Turning to foreign policy, Herzog assessed Albania's foreign policy, which is not derived from the old formulas and is thus playing a stabilizing and peace-promoting role in the Balkans.

Herzog and Meksi said that they were in favor of respecting the rights of Albanians outside Albania's borders. For Meksi, Albania sees in Germany a natural friend in helping to solve the Albanian national problem.

After the meeting with Council of Ministers chairman Aleksander Meksi in the prime minister's office, President Herzog continued with meetings with representatives of various Albanian political parties.

Serreqi, Visitor Discuss Regional Situation

AU0103174495 Tirana Radio Tirana Network in Albanian 1100 GMT 1 Mar 95

[FBIS Translated Text] A detailed analysis of the troubled regional situation was the focus of the talks held in Tirana this morning between Albanian Foreign Minister Alfred Serreqi and Dieter Kastrup, state secretary at the German Foreign Ministry.

Kastrup assessed our state's foreign policy as an important factor of peace and stability in the region, thus expressing the German state's commitment to remaining close to Albania.

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For his part, Serreqi reiterated the position that there can be no solution to the Balkan crisis without resolving the problem of Albanians living outside Albania.

Regarding Albanian-Greek relations, Kastrup said he considers the good will that exists between the two countries very important in reducing tension.

Serreqi confirmed today that [Greek Foreign Minister Karolos] Papoulias' visit to our country is of special importance and will help to normalize relations between the two oldest neighbors in the Balkans.

Political Relations With Germany Said 'Intensive'

AU0203090195 Tirana LAJMI I DITES in Albanian 25 Feb 95 p 2

[Unattributed report: "Albanian-German Political Relations Are Among Albania's Most Intensive Relations With the EU Countries"]

[FBIS Translated Text] Political relations between Albania and Germany have witnessed intensive qualitative developments over the last three years. The schedule of diplomatic activities between our two countries has been so busy that the tableau of political relations between Albania and Germany has become one of the richest within the framework of Albania's relations with the EU member-countries. Our two countries have numerous bilateral contacts. Political and state dignitaries have exchanged visits. Albania has been visited by 15 mid- and high-level German delegations. The same number of Albanian delegations have visited Germany. One of the first ministers of the EU member-countries to visit Albania was Hans Dietrich Genscher (three visits). Albanian Foreign Minister Alfred Serreqi visited Germany in 1993. Last year's visit by German Foreign Minister Klaus Kinkel to Albania vivified the atmosphere of relations between our two countries. It marked a very important event in Albania's bilateral and multilateral relations with other countries, thanks to Germany's position in Europe and the great role it plays in the international institutions and in the EU. Germany has always been in favor of the Albanian factor in the Balkans. During the period of its presidency in the EU, Germany has had a positive influence, in Albania's favor, on European diplomatic circles, in unlocking the EU's financial aid to Albania (blocked by the Greek veto). Germany, with its foreign policy, has supported and is still supporting the rights of the Albanian population in Kosovo, and has made its contribution on an international scale to a just solution of the Albanian question in general.

The interparliamentary relations between our two countries have also seen rapid progress; numerous visits and contacts are clear evidence of this. The speaker of the German Bundestag, Rita Suessmuth, has visited Albania. The work group on Albania in the German Bundestag is very active and benevolent toward our country. The German deputies, in spite of their party positions, always declare themselves in favor of Albania.

These are some of the facts that speak of Germany's special attention and care for the democratic processes in Albania and for current and future relations between our two countries.

Herzog, Berisha Hold Joint Final News Conference

AU0103205595 Tirana Radio Tirana Network in Albanian 1430 GMT 1 Mar 95

[Report by Zamira Koleci]

[FBIS Translated Text] Sali Berisha, president of the Republic of Albania, and German President Roman Herzog gave a joint news conference today at a villa situated on a hill in Durres city.

President Berisha stated that in the talks, the two sides agreed on Germany's role in the Balkans as the leader of the EC and confirmed that this role should be increased in order to provide an expeditious solution to the Balkan crisis.

Berisha went on to say that the German president had had the chance to find out and experience the feelings that the Albanians cherish for the Germans. He assured his counterpart that the Albanian nation has seen and sees a natural friend in Germany, and that Albanians will only benefit from this friendship—in the development and progress of democracy and the country's integration into Europe.

Regarding the aid that the German state has granted to our country, Berisha said that it is being used efficiently and today's visit to Kavaje was an implementation of this. Other districts, from Krume to Korce, have profited from this model, he said. Albanian farmers, specialists, and diplomats have also profited, and that is why we say that it was valuable aid.

In front of the reporters, German President Herzog underlined that the 50-year experience of the German state teaches us not only to use our experience in the economic success that has been attained but also in shattering the prejudices of hatred that existed in the former Communist countries. Herzog also expressed his conviction that this part of Europe will be able to profit in this difficult process. It is enough here to mention the word Yugoslavia in order to show how difficult this road is, Herzog underlined. In this framework, Herzog assessed the Albanian policy of the past years.

Albania has only half of its people within its borders but has never objected to the existence of borders, Herzog said. Albania demands autonomy and a proper status for the Albanians abroad. According to the Western experience, this is the most reasonable road, Herzog said. Europe should cooperate freely with equal states, Herzog added. Herzog later said that, in total, the German

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Government contribution for Albania amounts to 250,000 German marks, without counting the contribution via the European Union assistance for our country, 28 percent of which Germany has contributed.

On this occasion, Herzog expressed his pleasure upon learning that the credits had been well-invested in Kavaje, which shows that Albania is on the proper road, Herzog underlined. This is a great opportunity to show Germany and Europe that Albania should continue to be supported.

Answering correspondents' questions, President Herzog underlined the role that Germany plays in Europe today and its commitment in politics. He underlined that it is extremely important for Germany's role to be perceived in the turbulent Balkans.

Regarding President Berisha's statement that Germany is a natural friend of the Albanians, a German correspondent asked about the role that Italy and Greece play.

Berisha said that, in this respect, he praises the Italy's unsparing aid and that the friendship with Italy is an example of how historic misunderstandings have been overcome in view of future well-being, cooperation, and friendship.

I would like to confirm the same gratitude toward Greece, the Greek citizens, the Greek Government, and the institutions that have helped us, Berisha said. He then expressed his deep regret over the factors that aggravated relations between Greece and Albania. We will strengthen cooperation with our southern neighbor, Berisha said. He said the latest border incident was unacceptable and condemnable. Meanwhile, Berisha assessed the Greek Government's stance on these incidents and its will and determination to improve relations with Albania.

Berisha said that the Greek side will find the same predisposition in Tirana.

Regarding the incident in the former Yugoslavia, though not informed about this problem, the German president stressed that all of Europe has a strong interest in there not being another conflict created in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM].

Answering a correpondent's question on the German foreign minister's statement that his country will be Albania's defense counsel in the European structures, German President Herzog confirmed this with pleasure, stating that it was precisely as Mr. Kinkel had stated.

After the news conference, Berisha and Herzog went to the city of Kruje, where they visited the museum of our national hero, Skanderbeg.

After this visit, the German delegation left for Rinas.

President Herzog was seen off by Sali Berisha, government members, deputies, etc.

Commentary Questions Success of Army Reform

AU0203090295 Tirana POPULI PO in Albanian 22 Feb 95 p 4

[Commentary by Argile Veshi and Ibrahim Kerciku: "The Army Reform Does Not Correspond to Superlative Declarations"]

[FBIS Translated Text] Even though a stupefying clamor is being made about the reform that is going on in Albania, the reform itself has always lacked and is still lacking its main buttresses, complete serious studies, programs, models, phases of development, and so on. Even the Army reform could not escape these phenomena and negative aspects.

The Army reform has on several occasions been described in superlative colors, even though one can easily see how backward it really is. Life in the Army, though having its acceptable specifics, has not yet reached the level of emancipation of our society as a whole. In a pluralistic society, it is natural for every minister to base himself on his personal knowledge and gather the best specialists for his staff, but he must always avoid the extremism and nepotism of a sick society. In this respect, Minister Zhulalis's initiative to bring an employee from Peshkopia and appoint him to the Personnel Directorate in the Defense Ministry on the grounds that he is a democrat sounds inadmissible to us. Are there not any capable and devoted democrats in Tirana? Such one-sided attitudes are first of all an insult against democracy.

Motive, reasons, and preferences in running after one foreign army model or another does not seem convincing to us. The simplest logic suggests that we should guide ourselves toward the models of those armies with which we have contact points and similarities in objectives, strategy, tactics, space of military operations, traditions, organization and weapons, etc.

Without neglecting the U.S. Army's experience and values, one can nevertheless not deny that, as far as the above-mentioned criteria are concerned, the armies of our two countries are in extremely different positions. On the one hand, there is the U.S. Army, with its offensive strategy, unlimited space of action—mainly outside the borders of the United States—and tremendous potential of strategic and sophisticated weapons, an army always willing to teach others; on the other, the Albanian Army with its defensive objectives and strategy, its theater of action within the borders of Albanian territory, and its limited potential, an army that can not afford to have heavy strategic weapons—not that it needs them. Having a tradition of its own that must be preserved and developed further, it is difficult for the Albanian Army to take any advice from the U.S. Army because everything that army possesses is so far out of reach of our army's possibilities, tradition, mentality, space of military operations, potentials, and

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strategy. We should be more realistic in choosing patterns and models and make greater efforts to avoid copycat imitations, which will have repercussions for our army's present and future.

Our present attitude toward military schools and military education in general is lacking a backbone, and it cannot be left out of the discussion. As in any other field, this problem is of prime importance for the Army, too, because it determines its profile and its fate. By its sacred mission, the Army serves, above everything else, the national interests, and it has a profound national character. Also serving this national character are education, schooling, and the preparation of our army's cadres. In this respect, the Albanian military education had created its own tradition and experience, which should be preserved and developed, always free from politicization and extremes. What is happening now is a nihilist attitude toward this problem. Though one cannot tell anything for certain about our army's performance, one can nevertheless not conceal the existing tendencies to narrow traditional schooling, readily and in an unpardonable way neglecting its national side and physiognomy. The values of restructuring and reforming should be expressed through concrete results. Without denying either the work that has been done or the efforts made so far, the prepared strategy shown on television programs on the occasion of the 50th anniversary of liberation did not live up to the superlatives with which it was introduced. We are not exaggerating when we say that the methods, organization, ability, and environment [words indistinct] witnessed in that military exercise failed to reach the level required for such a jubilee. Exercises of the same kind but of a much higher quality used to be carried out many years ago by our army's various structures.

Euphoria, luster, and sensation are nothing but hidden manifestations to conceal reality. If they are shrouded in silence and no battle is fought against them, they will constitute a real and constant danger to the fate of the Albanian Army.

Serreqi Says Kosovo Problem Must Be Addressed

AU0203093495 Tirana GAZETA SHQIPTARE in Albanian 23 Feb 95 p 1

[Report signed "p.re": "Serreqi: 'Europe Should not Forget Kosovo'"]

[FBIS Translated Text] Unless the Kosovo question is totally included in the framework of a peace plan, no stable and final agreement can be reached on the former Yugoslavia, stated Albanian Foreign Affairs Minister Alfred Serreqi on the last day of his visit to Italy.

"OSCE [Organization on Security and Cooperation in Europe] is no longer there," Sereqi explained, "and the people feel abandoned and left to their own devices, and in the meantime tension is growing there. So, unless Kosova is included in the peace plan, there will never be a final solution to the conflict." According to the Serrequi—speaking at a meeting dedicated to Albania hosted in Rome by the institute for Italy's links with countries of Africa, Latin America and the Mediterranean—"such a form of Slav-Macedonian [The Former Yugoslav Republic of Macedonia] chauvinism is present in the region and is conditioning the situation as a whole."

Italy's ambassador to Tirana, Paolo Foresti, who has witnessed Albania's transition to democracy, also spoke at the meeting, reminding everyone that Albania's foreign policy today constitutes a point of stability in a turbulent geopolitical region.

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Relations With Croatia Termed 'Unsatisfactory'

AU0103150995 Sofia STANDART NEWS in Bulgarian 25 Feb 95 p 10

[Interview with Lyubcho Trokharov, Bulgarian ambassador to Croatia, by Lyubcho Neshkov; place and date not given: "There Is No Danger of the Bosnia—Herzegovina Conflict Expanding"]

[FBIS Translated Excerpt] [Passage omitted] [Neshkov] What is the state of Bulgarian-Croatian relations?

[Trokharov] In diplomatic language, I could say that it does not correspond to the two countries' potential and willingness. In simple language this means that the state of relations is unsatisfactory. Despite the expressed mutual political readiness and desire to develop bilateral cooperation, in practice very little has been done since Bulgaria recognized Croatia on 15 January 1992. In the last 18 months there has been no Bulgarian visit to Zagreb at ministerial or higher level, and only one Croatian minister has visited Bulgaria. Contacts at lower administrative levels have been sporadic. Trade in 1994 was under $10 million, while cooperation in science, culture, and education is almost nonexistent.

Now it is clear to Sofia and Zagreb that relations must develop through mutual efforts, economic and trade possibilities must be studied, and the interests of cooperation must be defined. Thus the construction of the contractual-legal basis of relations will be accelerated.

[Neshkov] What is currently hindering the development of contacts between the two countries?

[Trokharov] The first thing I must point out is the interrupted direct communications between Bulgaria and Croatia because of the closing of the Serbian-Croatian border and blocking of the Belgrade-Zagreb highway on the territory of Croatia by the Serbs of the so-called region of Krajina. As you know, railroad transportation and telecommunications in this direction have also been interrupted. There still is no air link between Sofia and Zagreb.

The second reason is related to the dynamic domestic political processes in the two countries. This involves the state institutions, executive power, and political forces, and the accompanying cadre and structural changes in the economy and the administration, which slow down the conduct and coordination of foreign relations.

Third, I would like to point out the existence of a certain concern, on the Bulgarian side, with visits to Croatia and cooperation, because of the possibility of the eruption of new military activities on its territory or the emergence of complications in connection with the Bosnia-Herzegovina war. This specifically applies also to Bulgarian private business. Simultaneously, the interest of Croatian companies in Bulgaria is growing. In the last 10 months alone, almost 150 companies have sought contact with Bulgarian producers, or have studied our market with a view to implementing deals. The Bulgarian side should pay more attention to this interest, because after the full the situation in Croatia is fully normalized that country will be rapidly integrated into the European trade-economic area, in which we also have a great interest. [passage omitted]

[Neshkov] How do you assess Croatia's decision to end the UNPROFOR [United Nations Protection Force] mandate on 31 March 1995?

[Trokharov] The Republic of Bulgaria adhered to the position of the EU and the associated states, and expressed concern that this decision involved the potential danger of a new Serbian-Croatian conflict on the territory of Croatia after the withdrawal of the "Blue Helmets." Such a conflict is considered possible because of the Serbs' categorical opposition to the reintegration of the Krajina in Croatia, the accumulation of weapons in Krajina, and the existing tension along the line of contact between Serbs and Croats. In addition, the mutual dependence of the development of the situation in Bosnia-Herzegovina and the so-called UN Protected Areas in Croatia it must be taken into consideration.

At the same time, however, it must be admitted that the Croatian decision has its logic, from the point of view of Croatian national and state interests and in the context of finding a rapid and lasting solution to the Yugoslav crisis. It stems from Croatia's sovereign right to rule on its territory—a right recognized by more than 100 states (90 of them have diplomatic relations with Croatia), the United Nations and the UN Security Council. This right has been endorsed by many Security Council resolutions and is vested in all solutions of the Yugoslav crisis that the international community is discussing at present. [passage omitted]

Greece's Arsenis Interviewed About Relations

AU0103155695 Sofia STANDART NEWS in Bulgarian 27 Feb 95 p 8

[Interview with Greek Defense Minister Yerasimos Arsenis by Tatyana Vasileva; place and date not given: "Expansion of EU and NATO Should Not Be Directed Against Russia"]

[FBIS Translated Text] [Vasileva] Mr. Minister, it is well known that PASOK [Panhellenic Socialist Movement] and the BSP [Bulgarian Socialist Party] cooperate not only as parties but also on the government level. Which form of this cooperation bothers Turkey more?

[Arsenis] I do not believe that Turkey should be worried. Quite the contrary: The BSP and PASOK are parties that want the Balkan nations to live in peace and cooperation. For this reason, the development of relations between Bulgaria and Greece is in the interest not only of the two countries but of the entire region. Neither Greece nor Bulgaria, neither PASOK nor the BSP, oppose anyone else. By maintaining our bilateral relations, we are also developing all-Balkan cooperation.

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[Vasileva] Do you think that the Bulgaria-Greece-Turkey triangle, as NATO states, will guarantee the stability of the Balkans and Europe?

[Arsenis] Greece and Turkey are members of NATO, while Bulgaria is only a potential member. To be frank, the three states cannot solve the problems by themselves. The problems can only be resolved with the good will of their governments. Accordingly, it is our common responsibility to maintain relations of a kind that will stabilize peace and cooperation.

[Vasileva] How can Greece help Bulgaria join the EU and NATO?

[Arsenis] As an EU member, Greece can be of assistance to Bulgaria by proposing regional cooperation programs involving Bulgaria within the framework of INTERREG [expansion unknown] and PHARE [Economic and Reconstruction Aid for Poland and Hungary Program]. These programs are very useful for your country's economic development and for gradually bringing Bulgarian production into line with the requirements of the European market. Greece is also a member of the Western European Union, within which it can support your efforts to join the European and Atlantic security structures. I think the Balkans are a cardinal component in European economic, political, and military cooperation. Greece is the only state in the region that is a member of a united West Europe, and, for this reason, we want the other Balkan countries to join the EU. This would help the security and development of Europe itself. Of course, the new structures that will appear as the EU and NATO develop must be of kinds that do not come into conflict with neighboring countries and Russia.

[Vasileva] Did you achieve anything concrete in your talks with the Bulgarian Government?

[Arsenis] The positions of Bulgaria and Greece on the regional security issue do not differ. Both countries want cooperation, and I believe that cooperation can be extended so that the Balkans are a region of stability and not of conflicts. This was also confirmed during my talks with Prime Minister Zhan Videnov.

[Vasileva] Do you think that an all-Balkan meeting is possible with the participation of Clinton and U.S. Secretary of State Warren Christopher, and when might it take place?

[Arsenis] Anything is possible. The question is when, under what conditions, and with what preparations. To tell you the truth, I did not discuss that question with President Zhelev. What I was concerned with in Sofia was to find ways to give an impetus to our military cooperation.

Cooperation Desired

AU0203092595 Sofia BULGARSKA ARMIYA in Bulgarian 27 Feb 95 p 1

[Unattributed report: "It is Good To Forestall Bad Scenarios"]

[FBIS Translated Text] Our military cooperation is not directed against a third country but consitutes attempts to create the prerequisites for peace and stability in the region, Greek Defense Minister Yerasimos Arsenis said on Bulgarian National Television [date not given]. We have taken the first step by signing bilateral agreements, thus creating a foundation for multilateral agreements with other countries as well, countries that share our view that the future of the Balkans lies in economic and social cooperation among all nations, with mutual respect for the present-day borders, Yerasimos Arsenis said. He emphasized that bilateral agreements like the ones between Greece and Bulgaria will gradually create conditions for multilateral cooperation.

Arsenis said that Greece, as a member of NATO and the Western European Union, would like Bulgaria to join the European structures for security and cooperation. We would not want NATO's expansion to end with the Central European countries such as Hungary, leaving Balkan countries like Bulgaria and Romania outside the alliance. Therefore, we support Bulgaria's demands for a gradual integration into the European structures, Yerasimos Arsenis said.

Danger always exists, and it is the responsibility of the political leaderships to avert these dangers, and our aim in our military cooperation is to forestall bad scenarios—the Greek defense minister said, in answer to the question as to whether a Balkan war is possible in view of the unrest in Tetovo, the situation in the former Yugoslavia, and the strained relations between Greece and Turkey. We must firmly commit ourselves to laying the foundations of peace and cooperation, he said. This is what Greece wants, and in the course of my visit, I realized that this is also Bulgaria's conviction. The policies of your new cabinet are very close to our concepts, and I think that our two countries, with the help of their governments, will realize these aspirations, he said.

Pavlov on Military Budget, Defense Bill Problems

AU0203123695 Sofia BULGARSKA ARMIYA in Bulgarian 28 Feb 95 p 1

[Interview with Defense Minister Dimitur Pavlov by Evelina Dobcheva; place and date not given: "Remodeling Is Undesirable"]

[FBIS Translated Text] [Dobcheva] The draft bill on defense and the Armed Forces encountered serious difficulties at the last cabinet meeting. Is there a danger of having to excessively remodel the bill?

[Pavlov] No, there is no such danger. Different opinions could be expressed at the discussion of any bill. Even if we discuss the draft bill 20 more times, each time different opinions will be expressed. I think the bill should be submitted to the National Assembly as it is.

[Dobcheva] It has been pointed out that the bill's economic part is its weak point.

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[Pavlov] That part of the bill obliges the Ministry of Finance to take into consideration our defense needs, rather than allocate 12 of 52 billion leva, in accordance with the situation. I think that the changing conditions must be reflected in the defense bill.

[Dobcheva] It appears that the National Assembly would first adopt the 1995 budget. Has any progress been made in the talks with the Ministry of Finance on the 1995 military budget?

[Pavlov] There are significant differences between us. This especially applies to the most painful issue, the Army's technical supplies, because expenditures for food, clothing, wages, and electric power cannot be cut.

[Dobcheva] The prime minister said that a large part of the military budget would be redirected toward satisfying the needs of the army's technical renewal.

[Pavlov] We will insist on the implementation of this promise.

[Dobcheva] I would like to return again to the draft bill on defense and the Armed Forces. The social security benefits of the soldiers is one of the most disputed issues. It has been envisaged that the pension of the military should be 75 percent of the average wage over the last three years of service. This has been assessed as preferential treatment in comparison to other Bulgarian citizens.

[Pavlov] I could ask the other Bulgarian citizens why they do not prefer to serve where pensions are higher. They do not like this because the hardship is much greater than the compensation. If we do not preserve the social security benefits invested in the defense bill, very soon we will be left without officers. I think that until now the Council of Ministers could not find time to grasp the essence of the problems, even when there was an intention to revise the bill. On 2 March the bill will again be included on the agenda of the Council of Ministers.

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Klaus, Nekvasil: Funds Lacking for U.S. Hardware

AU0203100395 Prague MLADA FRONTA DNES in Czech 25 Feb 95 p 1

["(km)"-attributed report: "There Is Not Enough Money To Re-equip the Army"]

[FBIS Translated Text] Prague—The impressions gained by some deputies and part of the officer corps that, after the decades- long primacy of Soviet equipment, the ordnance of the Czech Army would be replaced radically and reoriented rapidly toward the most modern military hardware of the NATO states are dwindling away.

Prime Minister Vaclav Klaus and Chief of the General Staff Major General Jiri Nekvasil have admitted that the state will not have the money to purchase some of the already partly used, but still too expensive weaponry from the United States or Western European countries.

Although it is envisaged that some of the hardware for command and communications and other spheres of military life will be of the highest technical standard, the heavy ground hardware and the Air Force will have to continue to rely prevalently on Soviet-made modernized tanks and aircraft.

Although the Defense Ministry has not yet announced that it would agree definitively, for example, to the modernization of the Soviet MiG-21 fighter aircraft and that it would forgo the purchase of U.S. F-16's, it is obvious from the statements made by army and some government officials, however, that the purchase of U.S. hardware is unrealistic.

"Absolute condemnation of the quality of the current aircraft pool is inappropriate. The aircraft are not that bad. I think that it would be fitting to use them until they become obsolete," said Prime Minister Vaclav Klaus this week in Namest nad Oslavou after he had seen some Soviet-made fighter bombers, apart from the MiG-21's, at this military air base. "At the moment, it is impossible for everyone to jump at once from Trabants to Mercedes Benzs. We will be a country of Skoda Favorits for some time yet. I think that the same also applies for our army," said the prime minister.

The chief of the General Staff, Major General Jiri Nekvasil, said again that, for him, devoting money from the Army's budget to building apartments for career soldiers is a greater priority than purchasing modern fighters. "Purchasing F-16's at the moment would be disproportionate," said the chief of the General Staff.

Klaus Interviewed About Economic Outlook

AU0203095495 Prague LIDOVE NOVINY in Czech 24 Feb 95 p 3

[Interview with Czech Prime Minister Vaclav Klaus by Eva Martinkova; place and date not given: "Three-Percent Inflation in the Year 2000 Is Realistic"]

[FBIS Translated Text] [Martinkova] At a meeting with Western businessmen this week, you declared that the gross domestic product will increase by 4-5 percent this year and that inflation would not exceed 3.0 percent at the end of the century. Are these figures not just a little too optimistic?

[Klaus] Economic growth in our country is plainly speeding up. The course of 1994 confirms the growth trends. As long as an external event that we have no control over does not occur, then I see no reason why these figures should not become reality. You describe 3-4 percent inflation at the end of the century—the time of our admission into the European Union—as very optimistic. I say that such a result would be "bang on." Namely, a considerably more rapid decline in inflation than 1-2 percent per annum has been anticipated.

[Martinkova] Does the 6 percent unemployment rate belong among the optimistic figures?

[Klaus] The current level of unemployment is probably a short- term deviation from the longer-term trend. I do not in any way consider what we are seeing in the countries to the east of us—that is, a rate of around 15 percent—to be this long-term trend. I would envisage a stable level of between 5 and 6 percent in the future. I can imagine that we would come close to this level within two years.

[Martinkova] You have often appeared at the side of ministers recently in dealing with departmental problems. Is this because you consider these problems to be serious or because you think that the ministers are weak and need your protection?

[Klaus] Surely, you do not expect that I would answer the second part of your question in the affirmative? I feel that I should become involved in a departmental problem when it begins to go beyond the department, and this has happened several times recently—with the pension system, health care, and agriculture. I think that this is correct and logical. There are things that, by their impact, go beyond the individual departments and have an affect on all citizens; a broader perspective is necessary there.

[Martinkova] The government has always conducted itself better than parliament in the eyes of the public. However, according to the most recent STEM [Center for Empirical Research] opinion poll, satisfaction with its work has declined and, with it, your popularity. How do you explain that?

[Klaus] I do not attach too much weight to short-term swings. The government has now entered a phase of general onslaught led from various sides—conspicuously on the part of the trade unions, for example. There are times when a couple of people waver and give their vote to another side. From the point of view of the political parties, the polls do not indicate any ebb in voter support

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for the Civic Democratic Party. Therefore, I have no reason to consider these results alarming.

Foreign Minister Discusses European Integration

AU0103165595 Prague LIDOVE NOVINY in Czech 24 Feb 95 p 8

[Interview with Foreign Minister Josef Zieleniec by Adam Cerny and Terezie Jungrova; place and date not given: "The Past Is Not the Crux of Our Relations With Germany"]

[FBIS Translated Excerpt] [LIDOVE NOVINY] On the occasion of the 50th anniversary of the liberation of the Auschwitz concentration camp, we have witnessed a rather heated dispute. There is also a major anniversary ahead for the Czech Republic—50 years since the end of World War Two. At this time, we—and the political representation in particular—will formulate our position regarding the victorious powers, Russia as the successor of the Soviet Union, and likewise reunited Germany. This topic will certainly be the subject of domestic political debate. Could one define its framework now?

[Zieleniec] The debate has already begun. I have discussed its character with the president several times, and the cabinet has also discussed it. I believe that celebrations of such an anniversary are a symbolic moment that return past events to the conscience of the people, and attach to them our contemporary interpretation. The way we deal with them will say a lot about the present.

The entire affair is not only a celebration of the 50th anniversary of the destruction of Nazism. It is also a significant domestic and foreign policy act. The discussions surrounding the celebrations show how complex problems can arise, what ghosts can emerge. I would be happy if we managed to deal with this anniversary sincerely, above all, for our own sakes, because of our history, and our plans for the future.

[LIDOVE NOVINY] Significant anniversaries, like this one, often provide an opportunity to move issues forward that had caused talks to be at a stalemate. In this context, we are referring to the issue of compensation to the victims of Nazism and the Sudeten German problem.

[Zieleniec] This year will certainly provide an opportunity for a somewhat more dynamic discussion with Germany on these issues. This is, above all, a result of the situation in the FRG. Last year was election year, and these problems were therefore largely thrust into the background of the political scene.

Nevertheless, let us not view this anniversary as a milestone that will solve everything. The most important thing is to find a way of bringing our political positions closer together, and that is not a matter of the governments' positions. It is also a matter of the positions of all kinds of groups involved—both in Germany and here. Reaching a rush solution certainly would be detrimental to the issue.

A large part of the Czech population is interested in these problems. It is only natural, and it generates a demanding political situation. I hope that the talks will progress, and that there is a will on the German side to take additional steps. Nevertheless, I would not view this anniversary as a date that will solve everything.

Czech and German Positions

[LIDOVE NOVINY] You mentioned the need to bring the governments' positions closer together. That means there is a difference. Wherein lies the difference between the Czech and German positions?

[Zieleniec] If we speak about a particular problem, then the difference consists, above all, in the German Government recognizing its obligation in general, yet constantly delaying its solution. Of course, this is consistent with the existence of many divergent political forces in Germany that want to tie this gesture to various other measures—particularly regarding the Germans who were expatriated from the territory of the Czech Republic.

It is completely a matter of course for us that the compensation is, above all, of principal importance in the settlement of the moral debt to war victims. The victims of Nazism in the Czech Republic are the only ones among all the neighbors of Germany who have not been compensated.

[LIDOVE NOVINY] The problem of how to classify the issue of settlement within the framework of Czech-German relations has also been a subject of discussion....

[Zieleniec] The question of settlement has been presented as the key issue of Czech-German relations. I believe, however, that this vantage point is wrong. These relations have, above all, a future. It is important therefore somehow to jointly close the past. The past is not the crux of our relations. This crux is a specific cooperation within the framework of the common European fate. That will enable us to live in the awareness that the coexistence of Czechs and Germans has a future in the integrating Europe.

I believe that this has something to do with our perception of the origins of European integration, what the idea was that led the founding fathers of Europe—Monnet, Schumann, Adenauer—to make so much effort of their own and their nations to this end. The idea was of cooperation that would overcome the past and at the same time create mechanisms to prevent national conflicts in the Europe of the future. That is how one should understand Czech-German relations and embrace the tasks we have en route to the European Union. Only after we comprehend all this, will the talks on other issues be possible.

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[LIDOVE NOVINY] The Czech Government's gesture regarding the victims of Nazi persecution is also a part of Czech-German relations....

[Zieleniec] I am glad that a law was passed by the Czech parliament that represents a certain humanitarian gesture regarding the victims of Nazism. This issue is not only a part of the Czech- German relations but also a practical problem of the relation to the victims. What the Czech parliament approved is very important in this respect.

EU and Its Future Form

[LIDOVE NOVINY] The European Agreement—often referred to as the Association Agreement—went into effect on 1 February. In a certain sense, the Czech Republic is thus making up for the loss resulting from the partition of the Czechoslovak federation. As the date of our entry approaches, our neighbors, our future fellow members in the European Union, will ask us about the Czech idea of European integration. A lively discussion is currently under way regarding this integration. We will see the results at the EU inter-government conference in Paris next year. What is the Czech attitude—can it be compared with the French, British, or German stands?

[Zieleniec] The integration of the Czech Republic into the European Union is, above all, an important historical and political decision of the Czech state, Czech people. It involves the issue of the stability of our state, our continent, and the search for mechanisms that would guarantee that Europe never returns to the curse of national wars. Integration involves all this more than the specific practical outcome of cooperation in the social, economic, etc. spheres. Therefore I support and advocate our integration into the European Union very broadly within the possible forms.

Europe as a whole is formed by each nation, each country of the Union contributing its ideas, which are not only the ideas of politicians. Ours have been marked by 45 years of communist rule. Here I don't have the totalitarian system in mind but rather bureaucracy in the extreme such as we had here, which was not subject to parliamentary control and was the characteristic feature of the operation of this state. That is why we place so much emphasis on a balance between executive and legislative powers in all political discussions. That is why we raise a voice of warning in all discussions on the future form of the Union, when we see how the extensive EU administration operates with obfuscated parliamentary feedback. That is why we emphasize the importance of the individual states and their parliaments for control of the Union rather than building complex administrative bodies with an undeveloped control mechanism.

[LIDOVE NOVINY] Let us try to illustrate this by a practical example. The Maastricht agreement defined 1997 as the deadline for at least some countries accepting a common currency. Based on our own estimate of our chances of joining the EU, the question arises: What stand are we going to take regarding the common currency in the Union?

[Zieleniec] This happens to concern Great Britain more than us. For the past five years our currency has been practically linked by a very strict mechanism to a "basket" of five Western currencies and follows it completely. We have not once deviated from this basket. [passage omitted]

The Fateful Dimension of the Integration

[LIDOVE NOVINY] The polemics, objections to the bureaucracy administratively concentrated in Brussels—and they have been heard even from the mouths of Czech politicians—can sometime give the impression that the Czech Republic is perhaps too skeptical towards the European Union.

[Zieleniec] I would like to emphasize one thing: I do not see any alternative to our European fate. So, for me as a politician, it is immensely important that the discussion does not drown in small practical details, that our joining the Union not be decided solely on the basis of calculations by individual farmers about how many korunas in revenues they would lose or gain. Our membership should not be decided only on the basis of the rejection or acceptance of European legislation. For Norway, the key issue in the talks on membership in the Union was fishing. In Sweden, the discussions reached a level of ridicule in the controversy over chewing tobacco.

That is nothing for us—mostly because the Czech Republic is not where Norway or Sweden are. It is in the heart of Europe and no war has ever passed by this country by. We are neighbors of Germany, a former communist country that has experienced a very complex history in the very recent past. I would like the fateful political dimension of our European integration to be a foremost part of the discussion.

Pitfalls of the Argument Over Details

[LIDOVE NOVINY] Such a discussion can very easily slip precisely into very vigorous arguments over details.

[Zieleniec] God forbid that we decide on our joining the Union on the basis of some such triviality. It is already necessary to take certain steps now. Our government is actually taking them. Let us realize that the trade liberalization and the opening of our market to a competitive environment are creating conditions for fewer people to say "no" to the necessity of opening ourselves to the great market and great competition in 1997.

Let us realize that if we do not build an extensive social security system that surpasses European standards, fewer people will say at the moment of decision—I do not know. Let us realize that the lower the subsidies we give to individual branches of industry or agriculture, the fewer interest-oriented pressure groups will refuse entry to the Union at the moment of decision.

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[LIDOVE NOVINY] The experience with referendums, as the Maastricht Agreement ratification illustrates, is not the best.

[Zieleniec] I would be very unhappy if the vote on joining the European Union ended in the Czech Republic 51 to 49. The decision must have really broad support. Wise and well-thought-out policy can create conditions for it by presenting the joining of the Union to our voters as a fateful political decision and, in the process, details will not act as obstacles. If our country is really as open and competitive as possible—I do not mean only economically but also socially—the easier the decisionmaking will be.

European Integrity

[LIDOVE NOVINY] This argumentation is closely connected to the ongoing debate on the future shape of European integration. The politicians who support the closer federalist form of integration endorse the opinion that Europe must have closer bonds to be able to compete with large economic entities, like the United States or Japan. Is this argument justified?

[Zieleniec] Europe does not compete, individual manufacturers do. Skoda or Siemens compete. The Pilsner Brewery or the French wine manufacturers compete. The European integration mechanism creates for it certain conditions by forming a united market. From the outside the European Union appears rather unified. All this is the strength of Europe to which you refer. Nevertheless, I would rather speak about the strength of us, Europeans. There is a difference. Moreover, the more open the world is, the lesser significance the "staking out of space" has for the success of individual economic entities.

Europe has a non-negligible dimension that is connected with the European identity. The world is becoming global—the consciousness of Islamic unity is growing, the development in the Southeast Asian region is accelerating. The expansion of these states and their consciousness of interdependence also creates the need to be more aware of what unites us as Europeans than what divides us. This results in a projection of European interdependence onto foreign policy stands. It is expressed in the discussions and measures concerning joint defense, the building of the Western European Union as a security defense post of the European Union. If you view Europe through the prism of the newspaper headlines of a single week, you could gain the impression of very incongruous activity. In the long run, however, Europe demonstrates a very coherent development.

[LIDOVE NOVINY] Some time ago, you announced the establishment of the Council for Foreign Policy. Its purpose is to ensure better coordination betweeb officials who play a part in presenting the Czech foreign policy. The impression occasionally arises that powers, the division of tasks, are made according to some law of custom rather than on a strictly defined basis. How many times has the Council for Foreign Policy met, and when was the last time? What do you consider its most significant result?

[Zieleniec] The Council does not convene to make specific decisions because they are defined constitutionally and by relevant laws. The Council meets to discuss conceptual materials. I can say that it discussed all key issues. All participants agree that the contribution of these discussions is great. Of course, this does not mean that this forum should replace the standard mechanisms, which work well. It is a complementary body, and it helps to harmonize positions. [passage omitted]

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Kovac on Leadership, Treaty With Hungary

LD0103162695 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 1 Mar 95

[FBIS Translated Excerpt] The international press conference, held on the occasion of the second anniversary of the inauguration of Slovak President Michal Kovac, ended in the Forum Hotel in Bratislava shortly before noon. Our colleague Jarmila Tosecka has the following report:

[Tosecka] [Passage omitted] We asked the president how he assessed his present relations with the prime minister and the chairman of parliament and how this assessment compared with the one made by the president in March 1994.

[Begin Kovac recording] The president's effort is one thing. What we manage to achieve is a different matter though. I believe that I did enough or almost everything possible in order to ensure fair and correct cooperation with the government, the government coalition, the prime minister and parliament, for the benefit of Slovakia's citizens and Slovakia's good name abroad. Of course, I am going to continue in this effort. It is, in fact, my duty.

On the other hand, I am under the impression sometimes that the reaction to the president's steps is not quite adequate and it is not in the spirit of mutual understanding and search for conditions and atmosphere of good cooperation. I believe though that this issue is not essential at the moment. The most important thing is the fact that cooperation exists. I am convinced that it is going to deepen and that we are going to search for ever better contacts with the aim to coordinate our activities at home and abroad in a better way. The status quo is not ideal but I would like to remind you that Slovakia is no exception in this respect. [passage omitted] [end recording]

[Tosecka] [Passage omitted] The next question was whether the president believes that he managed to become a personality acting as an integrating factor. We also asked him what he could and would do in this respect in future?

[Begin Kovac recording] I believe that I did a lot in order to act as an integrating factor of the Slovak society. Of course, one person, be it President Kovac or someone else, can only do certain things. However, he or she is not the only person who can and who has to work towards this goal. The governments as well as the whole parliament have to work towards this goal. [passage omitted] [end recording]

[Tosecka] Mr. President, what are your expectations are in connection with the drafting of the Hungarian-Slovak basic treaty? Do you believe that solutions will be found that will calm down the stormy waters of bilateral relations? This was the question by Hungarian news agency MTI. Answering the question, the president said, among other things:

[Begin Kovac recording] My expectations are great. I welcomed the meeting between Prime Minister Meciar and Prime Minister Horn with great pleasure. I welcomed with even greater pleasure their joint pledge to this agreement on friendship and neighborly cooperation by 21 March. [passage omitted] [end recording]

Talks on Basic Treaty With Hungary Elevated

LD0203114395 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 0600 GMT 2 Mar 95

[FBIS Translated Text] Representatives of Hungarian minorities from neighboring countries, including those from Slovakia, had the first meeting ever with representatives of the Hungarian Government and Prime Minister Gyula Horn. Our Budapest correspondent Gregor Martin Papucsek has more details regarding the meeting and the state of talks on the Slovak-Hungarian basic treaty.

[Papucsek] During the meeting with representatives of Hungarian minorities last night [1 March], Horn reaffirmed that the Hungarian Government will not sign the basic treaty without consulting the Hungarian parties in Slovakia first. This is what Miklos Duray, chairman of Coexistence movement in Slovakia, and Laszlo Nagy, chairman of the Hungarian Civic Party, told journalists. This consultation will be elevated to a higher level, so to speak, because it will not be carried out by the government Office for Hungarians Beyond the Border as was the case so far, but directly by the Hungarian Foreign Ministry.

Incidentally, Prime Minister Horn pacified Hungarian minority leaders by saying that the government would not sacrifice the cause of Hungarians living abroad on the altar of European integration and that it would sign only such basic treaties with Slovakia and Romania, which would provide sufficient guarantees to minority rights in line with international standards.

Hungarian politicians from Slovakia said they regretted that they were unable to consult on these matters with the Slovak Government and with Prime Minister Vladimir Meciar personally.

Hungarian Foreign Minister Laszlo Kovacs confirmed the development regarding the Slovak-Hungarian basic treaty. Kovacs said that no progress was reached at the negotiations of legal experts in Bratislava at the beginning of this week. Other sources, which do not wish to be named, say that this is precisely the reason for elevating the bilateral talks to the political level. This means that politicians are taking over after the powers of experts have been exhausted in order to shift the talks forward. The same source, who wishes to remain anonymous, also said that Prime Ministers Vladimir Meciar and Gyula Horn contacted each other yesterday [1 March] and that it was in effect they who decided that talks at the political level will have to follow if progress is to be achieved.

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Although Gabor Gebelyes, foreign policy adviser to the Hungarian prime minister, did not directly confirm this development—or in other words, the telephone conversation between the two prime ministers—Gebelyes told me that Vladimir Meciar and Gyula Horn remain in touch.

Schenk Discusses Foreign Policy Orientation

AU0203094095 Prague RUDE PRAVO in Czech 27 Feb 95 pp 1, 4

[Interview with Slovak Foreign Minister Juraj Schenk by Pavol Minarik; place and date not given: "Integration With the West and Cooperation With the East Are Necessary for Slovakia"]

[FBIS Translated Text] [Minarik] Following the visit by Russian Prime Minister Chernomyrdin to Bratislava, some opposition deputies have expressed concern about the subsequent international orientation of Slovakia. What is your point of view?

[Schenk] Nowhere, even during my recent visit to Germany, have I come across any doubts being cast on the unequivocal nature of our foreign orientation or on the unchangeability of the priorities of the Slovak Republic's foreign policy. Our foreign partners perceive Slovakia's economic cooperation with the Russian Federation as something essential and natural for us. After all, other countries, including Western ones, are also striving for economic ties with Russia or to penetrate Russian markets. We have a certain advantage in this regard; we have specific know-how on this market, because we were there under the Czechoslovak Federation. I do not think that such cooperation with Russia will influence our foreign policy. We have clearly defined constants in it. We have to cooperate with Russia out of economic necessity. Here, I would like to recall the statement made by German Social Democratic Party Spokesman Karsten Voigt: "Integration toward the West and cooperation oriented toward the East are necessary for the countries of Central Europe." Slovakia, in its practical policy, is trying to move within this framework with regard to its economic existential interests.

[Minarik] You have your first trips as foreign minister behind you. How is Slovakia viewed in the countries you have visited?

[Schenk] From my experiences so far, it is apparent that they view us as a standard Central European country that is going through a transformation process and, within its framework, is trying by democratic means to resolve its problems. From time to time, however, it happens that—for this or that reason—they look at Slovakia through different eyes, that they apply a slightly tougher standard. On the occasions that present themselves to me, I try to point out that the same standard should apply for everyone. It is important, however, that the real results and objectives of Slovakia's foreign policy are assessed unequivocally positively; no one is casting doubt on them.

[Minarik] In your opinion, what is helping most to improve Slovakia's name in the world?

[Schenk] That is a complex issue, so I would like to refer only to the things that concern it immediately. The Slovak Republic, like the Czech Republic, has 25 months of existence behind it. During this period, we have not succeeded in attaining the kind of image of Slovakia that, in our opinion, corresponds to reality. This has been engendered by a number of factors. First and foremost, by the concerns aroused in European and other countries when the federation broke up. These were concerns about the outbreak of a conflict. The way that Czechoslovakia divided into two states brought the two countries increased prestige and credibility throughout the world. But, there are also other aspects here. We sometimes have the impression that in certain circles—and for various reasons—certain issues, that in the assessments of other countries are left completely aside and go unnoticed, are highlighted too much. We are aware of this and we do not take it in any way dramatically. However, we register it as a fact and we have decided to confront it by the usual means common throughout the world. This means that we will try to present the results of our activity objectively. We will try to point out what we are really like, including our merits and shortcomings. At the same time, we do not want to refer to the mistakes of others and emphasize only our contribution or activities. Our objective is, first and foremost, to present Slovakia as a reliable foreign partner that is interested in nothing other than cooperation, stability, and prosperity.

[Minarik] It is said that every country's best foreign policy is its domestic policy. Do you agree with this?

[Schenk] Domestic policy, understandably, cannot but be projected into foreign policy. The image of a state in the world is always marked strongly by what is going on in it and by the processes taking place in it. On the other hand, each country grapples with its own specific problems that—many a time—take on a rather acute form, including in states with a well-established democracy. In my opinion, the issue involves, first and foremost, whether there is in the given country—regardless of which one—the willingness and ability to solve these problems by civilized democratic means.

[Minarik] From your point of view, what is most damaging to the Slovak Republic?

[Schenk] It would be difficult to somehow arrange these issues in a hierarchy. After all, the issue does not involve making some kind of list of them. Nevertheless, I would like to emphasize that, compared with the other transforming Central European countries, Slovakia is not in any kind of extraordinarily different situation. That is, they are all more or less grappling with the same or similar problems as Slovakia. We are faced with the question of how to resolve them effectively. Namely, each country is approaching this matter from a different starting point and employs different methods and a

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different succession of solutions, but the nature of the problems is generally taken to be the same.

[Minarik] What do you consider to be the most important things in Slovak-Czech relations?

[Schenk] We are trying to establish them as relations between two regular countries. Of course, they have—and will always have—their own special dimension. This is preordained by the past 70 years of coexistence in which, obviously, there were many good, but also bad, things. The essential thing is—and I would emphasize this—that, during this significant historical period, a whole series of human, cultural, humanitarian, and other social ties were established that it is impossible not to take into consideration. From this point of view, our mutual relations will always have a certain above-standard form. In other words, there is no reason why our two states and their citizens should not have a feeling of very good and balanced mutual relations. I believe that it will be possible to resolve quickly the lingering problems from the division of the Federation: The issues of the incompletely resolved common property, matters associated with the Customs Union, and so on. The two states have to cooperate with each other—that is, they are dependent on this.

[Minarik] Relations between Slovakia and Hungary are beginning to warm up. Do you think that this will be a lasting trend or do you still anticipate certain problems?

[Schenk] We proceed from the premise that good relations with our neighbors is one of the priorities of Slovak foreign policy. At the same time, we know that a number of serious problems persist in relations with Hungary. However, the essential thing is that our mutual relations, especially recently, have far from reached a critical level. Therefore, I also think that it is possible—even inevitable—that the current problems will be overcome. Of course, an accommodating attitude on both sides is necessary for this. But, as far as the Slovak Republic is concerned—and I think that the results of Prime Minister Meciar's recent visit to Budapest clearly confirm this—our endeavor is obvious. Understandably, it is far easier to make a certain symbolic gesture than to project it later into all specific agreements. Nevertheless, I believe that we will manage this, first and foremost, by concluding the basic treaty with Hungary. We are ready for this step.

[Minarik] The Austrians have recently come up with a number of reservations against the completion of the nuclear power plant in Mochovce. Are you not concerned that this issue will influence the Slovak Republic's relations with Austria?

[Schenk] First, I do not think that they can be reduced to this issue alone and I also believe that they will not be so reduced by either side. I think that there are a number of other no less important issues of significance for the two sides and that the essential nature of mutual cooperation will prevail over the undue and exaggerated attention being focussed on this specific matter. For example, I consider the issue of Mochovce to be one of those where the aforementioned different standard is being applied against Slovakia.

Presidential Office Fears 'Liquidation' by Budget

AU0103093695 Bratislava SME in Slovak 23 Feb 95 pp 1, 2

["bog, pt"-attributed report: "Jan Klepac: Second Blow Is Under Preparation, Aimed at Liquidating the Office of the President of the Slovak Republic"]

[FBIS Translated Excerpt] Bratislava—"The problem of the budget chapter 'presidential office' is not an economic but a political one," Jan Findra, head of the Office of the President of the Slovak Republic (KP), said yesterday. He announced that the president was concerned about the solution of the KP's budget proposed in the draft state budget for this year.

Jan Findra said that the government's draft of the state budget, which is currently being discussed in parliamentary committees, allocates only 9.75 million korunas [Sk] for the KP's wages, and not Sk12.5 million as the original draft. The KP thus lacks resources to pay severance pay to the 35 employees it has had to lay off within the framework of the provisional budget.

By failing to pay this severance pay, which represents roughly Sk2 million, the KP would violate the Labor Code. On the other hand, if it paid the severance pay, it would violate the budget law as well. Jan Klepac, director of the KP Department for Economy and Administration, said that this was a "trap" set by the government, while Jan Findra added that this was the beginning of the dismantling of the KP, which will either be forced to substantially lower the salaries of remaining employees or to lay off additional staff. However, this could jeopardize the ability of the office to secure the fulfillment of the president's constitutional duties.

"This is a slap in the face of the remaining 60, but also 35 former, KP employees, who made themselves guilty only by having been, or remaining, in the services of the first man of the state," Jan Klepac said, adding that he considered statements by government representatives that the KP could pay the severance pay out of the allocated wage funds of Sk9.75 million to be a 'pinnacle of cynicism'." According to Jan Klepac, if the KP did so, it would be unable to cover even the legal entitlements of its employees in the period to come. [passage omitted]

Jan Findra qualified as misleading statements by representatives of the government coalition, according to which the president himself said that the KP would make do with 25-30 people. He stressed that, according to the 1993 plans of the former minister of finance, Julius Toth, a total of 160 people were to work in the KP in the final phase. "We told ourselves that, in the first phase, we would make do with a maximum of 100 employees," Findra added. [passage omitted] Jan Klepac said that, if

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the National Council of the Slovak Republic [NRSR] does not increase the KP's budget, they will be forced to lay off another 10 people in April.

Jan Findra spoke also about other financial problems faced by the KP. Although the government promised that, in accordance with the projects, it would allocate Sk60 million for the reconstruction of Grassalkovich Palace, the future seat of the president (the reconstruction is to be completed in July 1995), in the draft budget it earmarked only Sk30 million for this purpose. At the same time, however, it reduced the KP's material [vecne] expenditure to such an extent that, according to Jan Klepac, the office will have problems paying the rent for the president's present seat [in the residence of the Bratislava mayor]. According to Jan Klepac, whereas the draft budget envisages higher expenditure by the Government Office and the NRSR Office, compared with last year (the increase in the case of the NRSR Office reportedly represents Sk100 million), the KP's budget has been slashed from the originally proposed Sk128 million to Sk121 million. "In December, the presidential office was delivered a blow that was intended to paralyze it. A second blow is now under preparation, aimed at liquidating it," Jan Klepac said.

Jan Findra noted that "the KP is not being built for Michal Kovac but for the Slovak president." He said that he would do his utmost to convince deputies by arguments of the need to economically secure the operation of the KP SR and expressed the hope that deputies would reassess the matter in the interest of the KP's ability to function. "If we fail, we will deplore it, but it will not bring us down. We carry our heads high," he added. Asked whether the situation around the budget was not a means of pressure brought to bear upon Michal Kovac to make him appoint a new Slovak Information Service director, otherwise the government coalition would not increase the KP SR's funds, Jan Findra said: "There has not been any such horse trading."

[Bratislava SMENA in Slovak on 23 February on page 1 carries a 600-word Martin Benko report on the KP news conference. The report specifies that the 1995 draft budget foresees KP expenditure of Sk121.4 million, Sk36.9 million less than in 1994. Of this, Sk9.7 million is reportedly earmarked for wages, Sk5.5 million less than last year.]

Daily Analyzes Causes for SIS Resignations

AU0103165195 Bratislava PRAVDA in Slovak 25 Feb 95 p 3

[Commentary by Marian Lesko: "Whence Did Distrust Arise"]

[FBIS Translated Text] As is generally known, the leadership of the Slovak Information Service [SIS] has tendered its resignation because it is not willing to work when the prime minister has lost confidence in it. The reasons for the loss of confidence are not generally known. It is certain that one year and 10 months ago Vladimir Mitro had that confidence. Otherwise Meciar's government would not have suggested him for the post of SIS director. Although a layman cannot penetrate all the twists and turns of the government- SiS relationship, a few things have surfaced from "open sources."

At the beginning of September 1994, the Movement for a Democratic Slovakia [HZDS] chairman met with journalists in "Miva," a pizzeria in Bratislava-Petrzalka, and was extremely astonished that no one was investigating the activity of the Leninist Spark, an organization in which Jozef Moravcik had been active, and trying to uncover its background. "It was not an independent institution. It was steered by the Russian consul general and had four lecturers from Moscow who were issuing instructions." Thick dossiers about its activity exist: "Most of them are in Prague, a few in Slovakia. The SIS claims that it does not have them. But it does have them, they were filed under the name Scarabaeus," Vladimir Meciar said and added that Leninist Spark members sit in the Government Office and special state institutions. Vladimir Meciar kept silent about the fact that it was the HZDS that had proposed Jozef Moravcik for the posts of federal and, subsequently, Slovak minister of foreign affairs. The HZDS chairman remembered his past only after Jozef Moravcik decided to leave the HZDS ranks, at a time when, by coincidence, the election campaign was starting.... Three days later, on 7 September, the SIS assumed a stand on Vladimir Meciar's comments. SIS Director Mitro announced that the intelligence service had the Scarabaeus file, that it indeed concerned the activity of the Leninist Spark, and that the file's contents showed that the former StB intended "to document its activity because of suspicion of incitement, which was a criminal act then." In other words, Mitro said that the StB regarded the organization's members as persons hostile to the then regime.

After the elections, during the parliamentary debate on the government policy statement, Roman Hofbauer [HZDS deputy] was the first to recall publicly this SIS position. Two weeks later Hofbauer wrote that "on the eve of the elections, the director of the secret service himself defended the Democratic Union chairman and, thereby, lobbied for his party." According to the HZDS deputy—and, it seems, according to not only this one deputy—by assuming a stand on a public accusation, director Mitro made himself guilty of "lobbying" for another party....

As is known, the government coalition set up a special commission of inquiry "to investigate the causes of the crisis of the constitutional system in March 1994." When asked [in the 13 February 1995 issue of Bratislava SME in Slovak] whether the SIS availed itself of information that the constitutional system had truly been jeopardized in March, Vladimir Mitro, director of the service whose obligation it is to protect the constitutional system, replied with a single word: "No." Immediately thereafter, he tendered his resignation. After all, as early as December

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1994 Mitro said that the strategy of the SIS leadership "must be based on the political program of the pertinent government.... The orientation of this service must be in harmony with its policy." The outgoing SIS leadership evidently was unable to adapt to this policy. And, apparently, it did not want to adapt to it.

Meciar Affirms Nuclear Plant To Begin Operation

LD0203094095 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 0600 GMT 2 Mar 95

[FBIS Translated Excerpt] Prior to his visit to Austria tomorrow, Prime Minister Vladimir Meciar has granted an interview to the Austrian news agency APA. [passage omitted]

In the interview, Vladimir Meciar emphasized that he sees a connection between Austria's protests against completion of the Mochovce nuclear plant and himself. He reaffirmed that the Slovak Government intends to make Mochovce operational irrespective.

According to APA, Austrian Federal Chancellor Franz Vranitzky intends to offer at least 500 million schillings to Vladimir Meciar if Meciar abandons the idea of completing Mochovce.

Petition Protests Cancellation of Political Satire

95CH0138A Prague PRAGUE POST in English 25-31 Jan 95 p 4

[Report by Timea Spitkova: "Slovaks Demand Their Halusky"]

[FBIS Transcribed Text] The cancellation of Slovaks' two favorite political satires, *Halusky* and *Evening With Milan Markovic*, has spurred a petition demanding the television shows' return.

The petition campaign was begun in mid-January by citizens protesting what they call an infringement of free speech. Ladislav Suty said he hopes to collect 100,000 signatures to present to parliament.

The comedies were the most popular programs on Slovak Television. Markovic is the best-known and most outspoken political satirist in the country. *Halusky*, Slovakia's version of England's *Spitting Image*, poked fun at government figures. Halusky are also traditional Slovak dumplings.

The shows were canceled following the appointment of a new director of Slovak TV. Production cost was the official reason given for the cancellations, but most observers accuse the government of Prime Minister Vladimir Meciar of muzzling opposition.

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Broad Range of Economic Crimes Reported

95CH0117D Budapest NEPSZABADSAG in Hungarian 09 Jan 95 pp 1, 6

[Article by Gy. Attila Fekete: "Economic Crimes, With Losses Amounting to Billions"—first paragraph is NEPSZABADSAG introduction]

[FBIS Translated Text] Of the economic crimes investigated in 1994 at the 19 county police headquarters and the Budapest police headquarters, in the 20 major cases, the combined losses to the state, the entrepreneurs, and the banks were in excess of 3.5 billion forints. National Police Headquarters evaluated the investigations of economic crimes recently. The results: At present "the money market is the most infested area" of our economy, and most frauds happen in credit transactions.

According to Major General Antal Kacziba, Head of the Criminal Investigation Department, in economic crime, 1994 was the year of forgers. The oil manipulations continued, alongside the highly publicized paprika affair; then the Vegeta and the forged Herend china. A Bekes County company purchased large quantities of heating oil—demonstrably between January 1992 and June 1993—and then sold it as diesel fuel, after "transforming" it by adding acids and other additives. According to the records of the continuing police investigation, the company caused the national budget losses amounting to 351 million forints by not paying the various taxes and contributions. This was only one firm among dozens of businesses that specialize in oil fraud. "The police cannot eliminate this kind of crime. As long as heating oil costs a third of diesel fuel, which is of the same quality but has no added color, there will always be people who will use illegal shops for trying to make diesel fuel from a few trainloads of heating oil, because they can pocket hundreds of millions from each trainload of oil. No matter how many criminals we uncover, there will always be others to replace them, says Kacziba, who thinks that this oil fraud can be stopped only by eliminating the price difference between heating oil and diesel fuel.

According to Kacziba, aside from the oil affairs, the police was most successful last year in reducing the number of credit frauds. Last year's major cases of economic crime are included in this category. In Baranya County, the business manager of a company provided a 500-million-forint loan to an entrepreneur in exchange for a 5-million-forint bribe, without checking whether the borrower had an adequate coverage for the loan. It also happened—and not only in Bekes County—that companies applied to APEH [Internal Revenue Directorate] for sales tax refunds using forged bank deposit slips and statements for non-existent bank accounts; and also acquired loans from financial institutions, businesses, and private individuals, using forged collateral documentation. For instance, one Baranya County entrepreneur acquired, in this manner, 200 million forints for his business. When it was discovered that he could not pay, it turned out that he had no seizable assets that the police could sequester.

In Borsod County, a Miskolc firm acquired 12 short-term loans, totaling 474 million forints, by using a German bank guarantee that had been issued in connection with a contract signed with a German company for delivering goods. However, the entrepreneur's business activity did not allow for repaying the loans. At present, the police are also looking into the criminal liability of the bank employee who authorized the loans. Such a transaction was also effected by two Heves County entrepreneurs—only they drew a loan of a mere 2 million forints from a cooperative savings bank. They used the money to purchase a truck. Then they sold the truck without the bank's knowledge or approval and invested that money in other ventures. They transferred all seizable assets to juvenile relatives so that the bank would not be able to collect.

According to Kacziba, the police was most successful in curbing illegal banking activities and in mopping up the so-called pilot games, and least successful in uncovering privatization frauds. Kacziba said there are a few dozen cases connected with privatization in which the police was unable to bring charges because of legal loopholes or a lack of evidence. "Society's sense of justice or moral judgment is not always identical with the legal evaluation of a case," said Kacziba. Financial investigators often see cases in which there is a strong suspicion of crime but no wrongdoing can be proven.

In his reply to the question whether the explanation for all this is the investigators' inexperience or flaws in criminal law, Kacziba said the following, among other things: "We may launch an investigation when we find, or learn about, a probable cause. We may not question any witness, nor can we consult with experts before the investigation is ordered. Often, it turns out during the investigation that, because of a long forgotten but still unexpired statute, the given act cannot be criminally prosecuted."

This is also Kacziba's explanation for the fact that economic crimes that initially draw much attention will soon burst—to use the term of common parlance. He said that the reason cases of economic crime begin with so much fuss is not so much the behavior of the police but rather that of the defense. Kacziba said that it is a common practice in the West for police expertise and the justification for the legal process to be questioned in the press by the defense from the very beginning. But he admitted that it is also a fact that only those criminal cases are brought to court in which the police—or, in a later phase of the process, the prosecution—has unequivocal evidence.

For instance, in the DTEI [expansion unknown] affair, charges for embezzlement and bribery were filed by two ministers of the former administration, but the police was only able to prove forgery of public documents. On the other hand, the economic cases that are referred to as

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examples of the blunders of financial police investigators have not yet been closed by a final verdict. Although the defendants in the Klapka case were acquitted in the first instance, the prosecution appealed, so it is too early to speak of a defeat. The prosecution just handed in the indictment in the Lupis case, and the police just began investigating the Agrobank case.

Kacziba said that the investigation of economic crimes generally takes longer than that of other crimes because the processing of business documents by the experts takes more time. However, with the exception of a few extremely complex cases, a police investigation may not last longer than six months.

In his reply to the question whether the police needs more money or more experts for its financial investigations, General Kacziba said: "In economic protection, it is good if one third of the investigators are economists or economic experts, and two thirds are policemen. We have established this ratio at the ORFK's Department of Economic Protection. This year we will be able to hire 250 financial investigators. We want to place most of them at the county headquarters. There are some large counties where only six people are doing investigation into economic crimes.

Poll: Struggle Against Economic Crimes Unsuccessful

At the request of the HET, Szonda Ipsos conducted a public opinion poll last weekend among urban adult populations concerning the increasing economic crime and the measures taken against such crimes.

The majority (59 percent) of urban residents said that the increasing number of economic crimes is not necessarily related to the processes of change of regimes and change to a market economy that have been going on in Hungary over the last few years. Forty percent of those surveyed did not agree with this statement, while another 10 percent agreed with reservations. On the other hand, one-fifth (19 percent) of urban residents accept, without any reservation the fact that an increasing rate of such crimes is a natural consequence of the transition, and the number of people who mostly agree with this is about the same (18 percent). Among the residents of Budapest, acceptance of the increase of economic crimes as a consequence of the change of regimes is about 10 percent higher than the average. Two-thirds (67 percent) of those surveyed agree with the assumption that the high crime rate in the economic sphere can be traced back to flaws in the present statutes. Only a little over one-fifth (23 percent) of urban residents disagreed. Most of those surveyed (88 percent) thought that the state and the government should take stricter measures against economic crimes. Only 6 percent of urban residents thought the political leadership is dealing with this strictly enough, perhaps even too strictly.

The majority (53 percent) of those surveyed think the police have had little success until now in combating economic crimes. The number of those who think the police is doing a pretty good job is much smaller (30 percent).

Slow Progress Seen in Pharmacy Privatization

95CH0116C Budapest NEPSZABADSAG in Hungarian 12 Jan 95 p 6

[Unattributed article: "Slow Progress of Pharmacy Privatization"]

[FBIS Translated Text] How is the privatization of pharmacies coming along? Correspondents of NEPSZABADSAG researched this issue in several counties of Hungary and in Budapest. It is a general perception that privatization progresses slowly, for professional and ownership reasons.

In Jasz-Nagykun-Szolnok county, following the order of the State Property Agency [AVU], the privatization of pharmacies that belong to Pharmasol, Pharmaceutical Production and Trading Corporation, has begun. The AVU announced the privatization of eight one-person pharmacies with small volume. However, the right of ownership was not clear; therefore, the process stopped. The court declared the pharmacies and the pharmaceutical center the property of the local government. Currently, the municipalities are putting in their claims for pharmacies and, in proportion to the size of the population, they demand their share from the property of the center. So far 21 municipalities have announced their claims, but they have been unable to privatize any of the 73 formerly state-owned pharmacies. The local governments cannot be forced to sell their pharmacies. Incidentally, in the meantime, 20 new private pharmacies not from the existing pharmacy property have opened in the county,

The property transfer committee of Csongrad county informed the municipal local governments two months ago that they could choose whether they wanted the pharmacy center to become property of the county or of the local governments. Dr. Bertalan Huber, head of the Csongrad County bureau of economic affairs told our correspondent that so far, not many municipalities have indicated their preference. Szeged suggested that the property of the pharmaceutical center be divided in proportion to the size of the population. Incidentally, the right to decide as regards ownership belongs to the municipal local governments—or rather: The property transfer committee makes a decision based on their recommendations. In the opinion of the parties concerned, the privatization of pharmacies is a difficult issue, because not every pharmacy is located in a building owned by the state; many pharmacies function as rental property, in buildings owned by private individuals or local governments.

In the first quarter of this year, the successor of the Heves county pharmaceutical center, the Pharmaprim

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Pharmaceutical Trading company, can form a corporation, we were told by acting director Judit Fuzes. She told us that this process will not be halted even if there is no agreement on the national level about the privatization of pharmacies, because in Heves county there is a good relationship between the company and the owners—the county and municipal local governments—as well as the local organization of the chamber of pharmacists. There are 55 pharmacies in 40 municipalities of the county, and as soon as Pharmaprim forms a corporation, the property transfer committees can start their work. This will be all the more necessary because, even as a corporation, the company will only be allowed to own pharmacies until 31 December, 1995. Fuzes said that so far no pharmacies have been privatized in Heves county.

In Komarom-Esztergom County the privatization of pharmacies has not yet taken place. At the county seat, County Recorder Dr. Tibor Rudolf told our correspondent that the local governments are awaiting orders by the property transfer agency, on the basis of which they will be able to make decisions concerning the division of property before the transformation. Only afterwards will it be possible to register the corporation that will govern the operation of the network and the coordination of views about the transfer of property.

In Veszprem County a chaotic situation arose in the course of pharmacy privatization. According to a Supreme Court ruling, the county property transfer committee should have granted ownership of the property of the pharmaceutical center to the local governments as early as September 1991. Although later the committee strove to act according to the ruling, the county local government submitted an appeal, thinking that the ruling was not favorable to it—namely, the ruling announced that the supply of an inventory of medicines is the task of the municipal local governments. However, in order for the municipalities and the county local government to be able to establish a jointly owned corporation, the order of the property transfer committee must be modified. Once this is done, the privatization of pharmacies can begin, based on the earlier opinion of the county local government.

The Zala County municipal and local governments requested the county property transfer committee to grant the portion of the property of the pharmaceutical center to which the municipalities are entitled to the county government, with the exception of pharmacies and the apartments of the pharmacists. The county government and the 170 municipal governments recently signed an agreement to this effect. In the agreement, the county undertook to regularly apply the profits of the pharmaceutical property to supplying small communities with medicines, because 24 of the 48 pharmacies in Zala County operate with a loss. A closed corporation is expected to form to operate the property.

Data on Increased MSZP Membership Published

95CH0123a Budapest MAGYAR NEMZET in Hungarian 16 Jan 95 p 5

[Unattributed article: "Dues Payment at Members' Discretion; MSZP Membership Increases by 6,000"]

[FBIS Translated Text] The Hungarian Socialist Party [MSZP] has 37,214 members, we learned from managing vice president Sandor Csintalan, who said that between 500 and 700 people per month joined the MSZP during the first six months of 1994, and 400-500 people per month during the second half of the year. Altogether, MSZP membership increased by 6,000 in 1994. A year earlier, in 1993, only 1,000-1,500 people joined the MSZP.

From among the new members, four out of 10 have higher education, and 70-75 percent of all new members are middle-aged white-collar workers and retirees. No fixed amount of dues has been established. Everyone pays as much as he or she agrees to pay. The average amount of individual dues paid last year was 60 forints per month.

In answer to our question, Csintalan said there is no data concerning people who have quit the party, nor is there any information concerning their reasons for leaving. Csintalan's goal is to achieve a situation in which an attractive civic life evolves within the Socialist Party. He regards an endeavor by the broadest strata of society to influence politics as important. The MSZP wishes to provide an opportunity for everything ranging from the productive use of free time to the pursuit of charitable activities.

Call for Direct Presidential Elections Debated

95CH0123b Budapest MAGYAR NEMZET in Hungarian 16 Jan 95 pp 1, 5

[Unattributed article: "Views of Parties Concerning the FKGP Popular Referendum Issue; Direct Election of President Raises Constitutional Issues"

[FBIS Translated Text] The SZDSZ [Alliance of Free Democrats] maintains its previous position. The issue of electing a president of the Republic cannot not be dealt with in isolation, but should be interpreted only in the context of the entire constitutional structure, according to Peter Hack, in a statement made to this newspaper. Hack, deputy leader of the National Assembly parliamentary group of SZDSZ representatives, said that from the beginning, his party had committed itself to a constitutional structure built on a model in which the executive branch can be held to account by the parliament, i.e., to a parliamentary republic. Direct election of the president of the Republic would make the president head of the executive branch of government. This would create an unfortunate situation, because contrary to what many people say today, the result would be a much stronger executive power than what we have today,

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according to Hack. At present, the National Assembly is, in principle, able to establish limits to the exercise of executive power, but no limits would exist with respect to the exercise of power by a directly elected president of the Republic functioning as the head of the executive branch. Elections four years later would be the only limit.

The SZDSZ would have been reassured if a new constitution could have been framed by August 1995—as that was also proposed by the previous government—because the SZDSZ felt that it would have been better to complete work on the constitution prior to electing the president of the Republic. By now, however, this is certainly not going to take place. Even if a popular referendum is held based on the FKGP [Independent Smallholders Party] initiative, and if a popular referendum turns out to be valid and produces results, and if citizens vote in favor of directly electing the president, it would be very difficult to establish legal conditions for the direct election of the president.

If signatures are handed in on 15 March, it takes two or three weeks to evaluate the signature sheets. The issue would be placed on the National Assembly calendar only thereafter, and therefore it would appear as rather questionable whether a new constitutional system could be established by August, when the mandate of the president of the Republic expires. "It would make no sense to change only the constitutional provision pertaining to the method of electing the president of the Republic. We would directly elect a president whose powers would actually be limited," Peter Hack said. He then added that it would make sense to directly elect the president of the Republic if the president of the Republic also acquired significant prerogatives in the exercise of executive powers. This arrangement works in the United States, for example, where an institutional framework for checks and balances as regards executive power has also evolved. Accordingly, if the popular referendum favors the direct election of the president of the Republic, all this would require a re-thinking of the entire institutional system of the Constitution.

We would also have to establish checks and balances for presidential power in the new constitutional structure. A system for recalling and discharging the president of the Republic would have to be established, because as a result of direct elections, the president would become the head, or one of the heads, of the executive branch, and all this has already been taken care of with respect to the prime minister. Accordingly, the SZDSZ is opposed to the direct election of the president not because it "does not advocate democracy," Peter Hack said. To make all this appear as the criterion for democracy is misleading, because the substantive scope of authority of the president is questionable. Furthermore, we must consider the fact that persons nominated by political parties would run in the elections. This results in strongly "partisan" elections everywhere in the world, where candidates for the presidency are directly elected by the voters.

In its program, the MSZP [Hungarian Socialist Party] has committed itself to direct elections. At the same time, however, in the course of the coalition negotiations as well as in the present six-party negotiations, it appeared that the MSZP was amenable to taking a flexible position in negotiations concerning the Constitution—according to Hack, who denied that this issue could cause tensions between the two coalition parties. The method of electing the president of the Republic is "merely" one of several subjects to be discussed during the preliminary framing of the Constitution pursued by the six parties.

In the course of this preparatory work, the FKgP [Independent Smallholders' Party] has constantly maintained that it would not be in a position to take a position in this regard until January. Accordingly, their representative takes part in the negotiations as an observer only. Thus their desire to decide an issue that is a part and parcel of the process of framing the Constitution, at a popular referendum, irrespective of the six-party negotiations, amounts to a total disregard of the six-party negotiations, Hack said. The popular referendum initiative makes the situation more difficult in the sense that it politicizes a matter of public law—this was the obvious intent of the FKgP—while the MSZP and the rest of the parties find themselves in a difficult situation, because they have to provide a political response to a matter of public law. Peter Hack believes that this problem can nevertheless be bridged. The SZDSZ politician disagrees with those who believe that the president of the Republic should belong to the opposition parties. The 1990 agreement was a bilateral agreement, in which both parties surrendered certain prerogatives. The then-ruling parties, as well as the opposition, made commitments to the effect that this was a one-time agreement. The amendments that increased the weight of the government were offset by the fact that Arpad Goncz occupied the position of President of the Republic. In Hack's view, the president of the Republic performs his functions independent of partisan interests. And he said he does not know on what basis the present opposition is seeking the position of president, and what, in general, it wants to obtain in exchange for that. The 1990 agreement was suited to the given historical situation, and in Peter Hack's view, there is no reason for making this a practice.

MSZP: The Will Of The Public Shall Prevail

The Socialist Party has not yet taken an official stand with respect to the FKgP's signature drive initiative. Istvan Nikolits, the director of the MSZP parliamentary group said that the method of electing the president cannot be dealt with separately from the process of framing the Constitution.

Asked whether the direct election of the president of the Republic would necessarily result in an expansion of presidential powers, Nikolits pointed out the fact that the provisions of the Constitution define the prerogatives of

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the president. The Socialists endeavor to have a new Constitution as soon as possible. He stressed that it is incumbent upon politicians to consider the consequences of presidential powers, when such powers are defined. The director of the parliamentary group feels certain that the creation of provisions concerning the president of the Republic will be accompanied by disputes.

We asked Nikolits whether SZDSZ support of the election of the president of the Republic by the National Assembly, contrary to the Socialist position, could cause tensions in the coalition. In this regard the director of the parliamentary group does not anticipate frictions. The two parties should reconcile their views concerning the election of the president of the Republic, but before that, they must reach a consensus on the basic law. The Socialists have an open mind regarding several proposals, but they would by all means like to see the will of the public prevail, Nikolits stressed.

In further discussions we inquired about the MSZP position on an opposition proposal according to which the president of the Republic would come from the opposition ranks based on the principle of shared powers, just as was done in 1990, when the parliament elected Arpad Goncz, a Free Democrat. In response to this question Nikolits served a reminder by saying that Goncz had been elected based on a political agreement reached by the MDF [Hungarian Democratic Forum] and the SZDSZ. Thus the agreement about the president of the Republic did not come about on the basis of the shared powers principle; instead, the goal was to make sure that the country can be governed.

MDF: Let the Parliament Decide!

We asked MDF parliamentary group leader Ivan Szabo how he envisions the chances for the MSZP-SZDSZ coalition to maintain the 1990 arrangement, on tje basis of which the president of the parliament would come from the ruling parties, while the head of state would come from the strongest opposition party. Szabo believes that this depends on the result of a lengthy series of negotiations to be conducted with the ruling parties, and within that, on the way power conditions within the MSZP evolve. Even if the coalition does not accept this proposal, the MDF will continue to maintain its position, according to which the parliament should elect the head of state.

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Pawlak Addresses Sejm, Announces Resignation

LD0103132695 Warsaw PAP in Polish 0959 GMT 1 Mar 95

[FBIS Translated Excerpt] Warsaw, 1 Mar—I am resigning from the post of prime minister, not of my own initiative, but of my own choice, Waldemar Pawlak said today in the Sejm.

The prime minister explained that a complicated situation comprising many factors was the reason for his resignation. First, he listed the fact that Poland "found itself in an international system of competition," which meant opportunities not only for development but also threats for Polish companies being dominated or liquidated. If Poland is not to become a "white semi-colony" during a period of transition from planning to market economy, partnership on international market is necessary, Pawlak said.

The prime minister regarded sharp difference between producers and consumers; complexity of social processes and the fact that many groups are lost in the new situation are difficult conditions in the government's work. Stable capitalism cannot be build for 15 percent of society, he said.

Pawlak listed in his opinion many successes of the government. The recent estimate of the offer price of shares of the Bank Handlowy could be a symbol of the changes.

A 100-year-anniversary of the peasant movement proved that "we managed to defend democracy and we are able to resign when necessary," he said. Pawlak wished colleagues from the Democratic Left Alliance, who "so willingly" met the president's expectations, "a harmonious cooperation with the president." [passage omitted: comments from other speakers on Pawlak's address]

Oleksy Seeks Swift Formation of Cabinet

LD0103150195 Warsaw TV Polonia Network in Polish 1100 GMT 1 Mar 95

[Interview with Jozef Oleksy, prime minister designate and Sejm speaker, by Iwona Maruszak, in the Sejm building, from the midday "Wiadomosci" progam—live]

[FBIS Translated Text] [Maruszak] Who are you Mr. Speaker? This is your first public statement immediately after the vote.

[Oleksy] In accordance with the constitution the Sejm has elected me prime minister. In addition, the constitution says: the new prime minister. One should accept the fact, since the phrase contains the word election, that this has now happened. However, as always in such procedures, there is also a stage when somebody has to hand in the nomination act in a formal manner and receive the oath, which makes the person in the post constitutional. That will be arranged by the president and I hope it will happen soon. I will ask the president not to procrastinate, because only after that one can embark on forming the government. I would not like this preparation period to drag on, either. There is much to be done in Poland. People do not like things to drag on at the summits of power, as things become impossible to understand then. Explanations happen to be incomplete and people may get the impression that everything is developing in a chaotic manner, and that implies their affairs may suffer.

[Maruszak] Mr. Speaker, how do you imagine the further specific schedule of work connected with the formation of the new cabinet. That is, do you think that you could be sworn in by the president and be handed in the nomination act as early as today, so that you can become prime minister today and perhaps, simultaneously resign as speaker?

[Oleksy] I would very much like that to happen today. It depends on the president's will and I will ask him to do it. I would like to eliminate what many people have been concerned about—so that this moment of being in suspension, when the new prime minister has not yet been formally finalized in the post and continues to be the speaker—will not last very long. I would like, after the president receives my oath, to ask the Sejm immediately to relieve me from the post of speaker and elect a new one. Until I am sworn in there is no proper appointment as prime minister because I cannot take any decisions.

[Maruszak] If things develop according to your scenario, that is you receive your nomination today...

[Oleksy, interrupting] If the president meets me halfway and is in favor of a faster pace as well, I could start consultations with the president today, in the capacity of prime minister. First, consultations are required by the constitution with regard to the three ministries [foreign, interior, and defense]. Second, it is in my interest to keep the head of state informed in what direction the government alignment will go, and perhaps with regard to even some program points which will be contained in the prime minister's statement. I believe that a formula for cooperation is needed and I will try to achieve it. Then the process of forming the government will start.

[Maruszak] When?

[Oleksy] Now, today. Because if we put it off, we will have to put it off till the next Sejm meeting. My idea is to set up the new government at this Sejm session, by Friday [3 March], so that the president can swear in the new government, for example on Friday afternoon, and so that the government can start its work. This is the most important. This change, through a constructive no-confidence vote, was initiated as a result of criticism, criticism from many directions, with regard to tardiness and procrastination in the way the former government acted. This is the thing which should be changed as a matter of priority and in a rather visible way, in order to

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demonstrate that one can, and one should act faster, more efficiently and without delays. The situation requires this.

After the government is formed—let us be honest this has already been consulted and with minor alterations the composition is already clear...

[Maruszak, interrupting] Which option has been chosen with regard to the deputy prime ministers? Will there be one, three; has the number been agreed?

[Oleksy] For the time being the agreement is to appoint three deputy prime ministers. This is connected with discussions within the coalition—and not only within the coalition—which have taken place, with regard to the strength of management effectiveness in the economic area. I will say that ambitions were running quite high here, to the point of being irritating at times. However, objectively speaking, one can hardly deny that it is important to manage the economic sector by a strong hand in a period when I am determined to carry out a reform of the economic center. This will not be easy as the reform has been delayed...

[Maruszak, interrupting] That is up to former Deputy Prime Minister and Finance Minister Kolodko?

[Oleksy] Yes, he and the way he acts will be extremely useful. However, he has to have some scope, whether it is Deputy Prime Minister Kolodko or anybody else. To carry out such a serious shake-up of structures, which have been in existence for a long time—and a reform of the economic center which boils down to breaching the interests, objective interests of such structures—the measures have to be firm and a certain level of directives must exist. As I say, after the Sejm adopts laws on new ministries, several of them will be dismantled.

[Maruszak] Presumably all this will be contained in your statement, Mr. Speaker. Will the two remaining deputy prime ministerial posts be filled by Mr. Luczak and Mr. Jagielinski?

[Oleksy] This is the way it looks. The Polish Peasant Party [PSL] has submitted those names, using an argument based on the coalition agreement as to the division of posts. Unfortunately, this is the worst part of such agreements as it involves bargaining: you used to have two; now we will have two. I do not like this mathematical approach when it comes to the forming of the cabinet, which, first and above all, has to solve problems in an inter- disciplinary manner. But these things happen in practice.

[Maruszak] Mr. Speaker, what are you going to do when you leave this room and push your way through the crowd of several dozen journalists who are waiting outside the door?

[Oleksy] The word push through implies something not very nice. For me contacts with journalists are nice. I regard them as very much needed, not to me of course, but to the service the journalists provide. However, when I push through the crowd of journalists, I will give a statement for German television, which has been waiting for three days now.

Later, I will get in touch with President Walesa. The problem is that the Slovenian president, who is the guest of President Walesa, arrived on a visit to Poland this morning. However, I hope that we will find a little gap [in the schedule] to establish some contact. The further development of affairs will depend on this.

Resigns as Speaker

LD0103182795 Warsaw Radio Warszawa Network in Polish 1800 GMT 1 Mar 95

[FBIS Translated Text] Prime Minister-Designate Jozef Oleksy has submitted his resignation as Sejm speaker to the Sejm Presidium. The resignation request will be considered after the Sejm approves the composition of the new government. Until then Jozef Oleksy will refrain for performing his duties as Sejm speaker. Aleksandra Jakubowska, candidate for press spokeswoman of the new government, disclosed this information to journalists.

Talks With Walesa

LD0103174995 Warsaw PAP in Polish 1658 GMT 1 Mar 95

[FBIS Translated Text] Warsaw, 1 Mar—Jozef Oleksy has told journalists that he had a telephone conversation with President Lech Walesa on Wednesday afternoon. "During the conversation, I expressed my readiness to meet with the president at any time and asked that the meeting be held on Wednesday or Thursday at the latest," the speaker said, adding that he intends to form a government and complete the process before the end of the current Sejm session.

"I pointed out that the president wants the deadlock to be resolved soon and without delay. After today's Sejm decision, I expressed my readiness to take part in a consultative conversation in order to reach an agreement as to what is needed in this procedure," Oleksy said. "We agreed that the president will get in touch," he added.

Commenting on the statement by Leszek Spalinski, the president's spokesman, in which he said that the condition for Oleksy's meeting with Walesa is his stepping down as the Sejm speaker, Oleksy said: "They are only words of the president's spokesman."

Oleksy introduced Aleksandra Jakubowska to journalists as candidate for the new government's press spokeswoman. "Ms. Jakubowska will now help me in contacts with you, so that I will not have to conduct all the discussions myself. You will have good support and a good source of information about everything happening in the nearest future," Oleksy told journalists.

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Presidential Spokesman Interviewed About Oleksy

LD0103150895 Warsaw TV Polonia Network in Polish 1100 GMT 1 Mar 95

[Interview with Presidential spokesman Leszek Spalinski by correspondent Maciej Sojka at the presidential palace in Warsaw—live] [FBIS Translated Text] [Sojka] Mr. Minister, the Sejm has appointed Jozef Oleksy as the new prime minister and entrusted him with the mission of forming new government. In this situation, will the president talk to the Sejm speaker about the composition of a new cabinet and is it likely to happen today as suggested by the Sejm speaker?

[Spalinski] I think that such a conversation will take place but there are some doubts, which the speaker himself mentioned in his interview. If the speaker would want the president to appoint and swear in Mr. Oleksy as the prime minister, we would have a situation where the speaker would be both the speaker and prime minister. It is a pity that, for instance this morning, the Sejm rejected the possibility to speed up the whole process, the speaker talked about it a moment ago, and did not accept the KPN's [Confederation for an Independent Poland] motion to vote on speaker Oleksy's resignation. This, as I said, would be a little artificial situation and I am not quite sure if it is legally permissible that one person is both the speaker and prime minister. As I was saying this may be a formal obstacle in further talks but of course at present, when the speaker has full powers granted by the parliament, talks with the president will take place.

[Sojka] What is the president's office opinion. Must Lech Walesa or can he accept the composition of the cabinet presented by Oleksy?

[Spalinski] All this depends on whether speaker's proposals will guarantee the preservation of president's powers granted by the Small Constitution or will the proposals restrict them or liquidate altogether. Today's statement in the parliament by for instance Deputy Kwasniewski was characterized by a large amount of aggression and may indicate that the coalition will want to restrict constitutional powers of the head of the state. And then it may be a controversial matter.

[Sojka] Does the president want to discuss with Oleksy economic ministries as he said after his return from Latin America?

[Spalinski] I think that it is in the interest of both the president and prime minister to agree on ways of forming the government and on its work. It means listening to good advice. The president said that he would like to help, and share his thoughts and reflections on work of economic ministries with Oleksy. We all know that so far those ministries have not been working all that well.

[Sojka] Thoughts not demands?

[Spalinski] Of course not demands.

[Sojka] In your opinion, will the president appoint this government or not?

[Spalinski] This will depend on two factors. First, the program of this government. Is there much point in appointing this government? Will it be able to do more in a different manner than the cabinet so far? Because if it is to be the same cabinet but with slight personal changes then those solutions do not make much sense. Second, I go back to the beginning of our conversation, it is the guarantee for the president to perform his constitutional duties.

Justice Minister Cimoszewicz Threatens Resignation

LD0103210095 Warsaw Third Program Radio Network in Polish 2000 GMT 1 Mar 95

[FBIS Translated Text] Wlodzimierz Cimoszewicz has said that he will resign as justice minister unless he is also given the portfolio of deputy prime minister.

[Begin Cimoszewicz recording] I cannot agree on any such solutions, although they have not been finally decided, as they would weaken the position of the justice minister. In such circumstances I would not accept the proposal to fill the post of justice minister only. These are no considerations about the status of the post of deputy prime minister. The issue is that I should be able to continue what I have been doing so far, and that the head of the Justice Ministry should have a strong position in the government. [end recording]

Jerzy Jaskiernia, a Democratic Left Alliance deputy, has been mentioned unofficially as a possible candidate for justice minister. He believes that it is not necessary to combine the posts of minister of justice, prosecutor general, and deputy prime minister.

Commentary About Formation of Oleksy Government

WS0203115395 Warsaw ZYCIE WARSZAWY in Polish 2 Mar 95 p 2

[Commentary by Piotr Zaremba: "A Chatterbox Instead of a Church Mouse"]

[FBIS Translated Text] "A chatterbox is replacing a church mouse," said [Deputy Head of Freedom Union] Donald Tusk about the changes at the top levels of power, quoted at a Sejm debate by [Head of Union of Labor] Ryszard Bugaj.

It still remains unknown whether the replacement really will take place. The president can do anything. He can take his time in making appropriate decisions—the Small Constitution does not specify any binding deadline. He can also wage a Constitutional war by refusing to approve chatterbox-Oleksy's cabinet, risking being put before the State Tribunal, which would make him a victim of the "left leg" currently referred to as "post-communism."

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What will happen if this government does emerge after all? The political order will be a replica of that before 1989. Emissaries of the leading political force, the Polish United Workers Party-cum- Democratic Left Alliance [SLD] will lead the government. And a politician from the United Peasant Party-cum-Polish Peasant Party [PSL] will vigorously sway the Sejm speaker's scepter.

On the outside, this cabinet will definitely be easier to stomach than the previous one—the "chatterbox" will be more willing to talk to journalists than the "church mouse." On the inside, however, role division is rather unlikely to change. The peasants, angry with the world and with foreign capital, will try to keep Poland as centralized and as isolated from the rest of the world as possible. SLD will try to privatize a little, decentralize a little, and reform a little, pointing to PSL as the brake operator—without affronting its constituency in the process; or the poor old age pensioners who are afraid of changes; or the Red capitalists who do not long for true free market competition.

Until church mouse-Pawlak uses an opportunity to retaliate and overthrows "chatterbox's" government.

Acting Defense Minister on U.S. Visit, NATO

WS0103151595 Warsaw POLSKA ZBROJNA in Polish 1 Mar 95 pp 1, 2

[Interview with Acting Defense Ministry Jerzy Milewski, by Andrzej Medykowski; place and date not given: "We Are a Partner Worth Talking To"]

[FBIS Translated Text] [Medykowski] During the perturbations at the top levels of power in Poland you visited the United States. While talking to your hosts in America, did you not get the impression that this was not the best possible moment to hold talks?

[Milewski] No, I did not. On the contrary, the American side was indeed interested in finally seeing me visit the United States; I must add that the visit was to take place much earlier. I held talks with Defense Secretary Perry, head of the U.S. Department of Defense, as well as with many other representatives of the Administration and the Congress. In none of those talks did I get the impression that it was only a matter of courtesy or protocol. After all, cabinet crises do occur in all democratic states, and the image of a given country on the international arena is determined by the method of overcoming crises rather than by the lack of such situations. Our situation was treated with understanding, and my visit was looked upon as a confirmation of the fact that a change in Poland's security policy is out of the question.

[Medykowski] What were the main results of the visit?

[Milewski] First and foremost, it was an opportunity to express our determination in the process of integration with NATO. It was also an opportunity for the U.S. Government to confirm its willingness to expand the organization. In the opinion of the people I talked with, Poland is a country which has a chance of becoming its member earlier than other states.

We also signed an agreement on the mutual protection of military secrets, which enables us to develop cooperation in the sphere of issues that are considered classified. Thus, anything that obstructed our access to U.S. military technologies was removed. Now we can buy anything we can afford.

The American side also confirmed its willingness to develop bilateral and multilateral military cooperation. This June we will take part in the first Polish-American military exercises, which will be observed by U.S. Defense Secretary William Perry and, perhaps, John Shalikashvili, chairman of the joint chiefs of staff. During the talks we also became familiar with the conditions for obtaining the surpluses of the military technology of the U.S. Army, including the F-16 aircraft.

[Medykowski] However, our intentions meet with various reactions in the United States and not all politicians support them. What do congressmen and representatives of the administration say about them?

[Milewski] It is understandable that representatives of the various political groupings express different opinions on NATO expansion. However, I certainly can say that most U.S. politicians are becoming increasingly convinced about the necessity of taking such a step in the next few years. The U.S. Government has submitted many concrete proposals in this respect. Our efforts are also supported by many congressmen. Nonetheless, it should be remembered that politicians who are themselves convinced must yet win their voters over to their way of thinking. Expansion of NATO in a situation where there are no direct threats is not obvious to everyone. This process simply calls for more time.

[Medykowski] People in Poland have reason to fear that the situation across our eastern border may develop unfavorably. The turbulent Russia is trying to hold back the process of Poland's getting nearer to NATO, and some politicians are even openly vetoing it. What does the United States say to that?

[Milewski] There is no doubt that Russia plays a special role on the international arena. Thus, it is difficult to imagine construction of a new system of collective security without Russia's considerable involvement in this process. Since its direct participation in NATO structures is out of the question, the relations between the organization and Moscow must be handled differently than the relations with small and medium-size countries that are applying for NATO membership. Such a development of the situation is also in the interest of Poland. During talks with U.S. politicians we drew attention to the fact that the dialog between NATO and Russia should be harmonized with the process of the integration of Poland and other countries of our region

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with the organization. Our position on this issue was received with understanding.

[Medykowski] Apart from curbing the process, symptoms of some kind of a race toward NATO can also be seen. Are there any fears that we will lag behind?

[Milewski] It is in the interest of Poland that the stabilizing influence of NATO be extended to Central and Eastern Europe and that our part of the continent obtain the same security conditions as those of NATO member states.

We are not running a race toward NATO against other countries, nor do we consider them rivals. We will be glad if especially our Visegrad Group partners achieve this goal together with us.

[Medykowski] The process of drawing closer to NATO calls for the satisfaction of certain practical requirements.

[Milewski] The fundamental condition of admitting a country to NATO are and will be the standards of democratic states, primarily control over the army. No country that is applying for NATO membership can count on any exceptional treatment in this respect.

Other conditions are of a more practical nature. Our commanders must master NATO procedures. They must learn English. A great deal depends on the satisfaction of these conditions. Equally important is the adjustment of our communications system to the standards of the organization.

The problem of our armament is no longer the most vital issue determining our admission to NATO. However, also in this respect we are hoping that NATO states or countries that are cooperating with them will become our strategic partners who will help us modernize our armament. Our goal is clear: we want to equip our Army mainly with equipment and armament made in Poland, but the products must be of high quality and fairly modern. This is why we are seeking the possibility of cooperating with countries having advanced technologies.

Walesa Receives Slovenia's Kucan, Thaler

AU0103173195 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 1 Mar 95

[Report by Tomaz Gerden from Warsaw]

[FBIS Translated Excerpt] President Milan Kucan was received with full state honors. Together with his wife and Foreign Minister Thaler, he laid a wreath on the grave of the unknown soldier and a monument to the Warsaw uprising. Both presidents spoke about the rapprochement of Poland and Slovenia to the European Union and NATO. President Walesa emphasized that the countries share a similar tragic historic and similar views for the future. For this reason, many diplomatic actions could be carried out jointly.

Milan Kucan described the talks with the Polish delegation as frank and friendly. There was much talk about an as speedy as possible signing of the free trade agreement with Poland. This agreement will integrate Slovenia into the economic sphere of the so-called Visegrad Group, that is, CEFTA [Central European Free Trade Association], on an equal footing. Slovenia and Poland also have very similar views about the security in Europe and the Polish side will support us in our drawing closer to the European Union. [passage omitted]

The visit of President Kucan coincides with a grave political crisis in Poland and, thus, it is not clear at the moment who will receive our president as the head of the Polish Government this afternoon.

Air Traffic Pact Signed

LD0103164195 Warsaw PAP in Polish 1340 GMT 1 Mar 95

[FBIS Translated Text] Warsaw, 1 Mar (PAP)—An agreement on regular air traffic between Poland and Slovenia has been signed on 1 March in Warsaw in the presence of both Presidents Lech Walesa and Milan Kucan. Notes that bilateral agreements signed with the Federal Socialist Republic of Yugoslavia remain in force in relations between both states were also exchanged.

President Walesa said after the signing ceremony that the histories of Poland and Slovenia were similar. Both countries lost their independence and both now strive to secure their safety and sovereignty. "We can offer each other a lot," Walesa said and stressed the need for both states to cooperate in the process of integration with the European communities.

"This is a historic moment in Polish-Slovenian relations," President Kucan said. Discussing the talks with Walesa, he said that they concentrated on, among other things, Slovenian membership in the Central European Free Trade Association and the Visegrad Group.

Handling of North Korean Situation Criticized

WS0103160095 Warsaw RZECZPOSPOLITA in Polish 1 Mar 95 p 28

[Report by Krzysztof Darewicz in Beijing: "The Price of Neglecting Pyongyang"]

[FBIS Translated Excerpts]*Polish diplomacy failed to prevent the removal of six Polish military observers from the northern part of the demilitarized zone on the Korean Peninsula. Polish officers were employed by the Neutral Nations Supervisory Commission [NNSC]. Facts prove that the Ministry of Foreign Affairs [MSZ] neglected both the situation of our military observers in Panmunjom and the conduct of North Korean officials who resorted to blackmail in order to attain their goal. Saddest of all, Pyongyang's cunning was underestimated—it is no coincidence it decided to attack the Polish mission at the time*

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of a political crisis in Warsaw. We were forced to surrender without a fight at the cost of our international prestige. [passage omitted]

The Fate of the Poles Sealed

The fate of the Polish observers was thus sealed, and North Korea could not have been stopped because Washington did not protest against any of its hitherto activities. On the other hand, however, it is difficult to justify the languor of Polish diplomacy which, although well aware of the developments, did not attempt and still clearly does not intend to launch an effective defense—if not against loss of face, then at least against the insolent methods employed by North Korean authorities. Unfortunately, facts prove that MSZ was passive and that although it is now trying to grin and bear it, it is a bit late to prevent our expulsion from the NNSC.

It is a fact that immediately after the ousting of Czechoslovak observers from Panmunjom over a year and a half ago, North Korea began to bring up the issue of the Polish observers without making any effort to hide its true intentions. The new head of our mission, traditionally in the rank of a general, was not given due recognition for quite some time. The treatment of Polish officers also became increasingly harsh. When the head of the mission went for a walk and crossed a bridge lying beyond the 400 by 400 meter square allotted to the Poles, he was charged with espionage.

MSZ and our embassy in Pyongyang, to say nothing of our officers at Panmunjom, were long aware of the trend of developments. Thus they can hardly claim to be surprised. As early as January, the North Korean authorities sent in a firm demand that Poland withdraw its observers from Panmunjom on the grounds that NNSC had lost its supervisory prerogatives. Yet Warsaw once again failed to take energetic action, as if the fact that Poland may no longer participate in NNSC operations did not unsettle anyone. Only on February 8, when the North Korean ambassador presented MSZ with an ultimatum demanding that Polish observers be withdrawn from Panmunjom by the end of the month, did hectic consultations and discussions begin. It was assumed in advance, however, that the Poles should withdraw. No attempt was made at holding negotiations on the issue at an adequately high level. Unfortunately, MSZ decided to unveil the problem, and organize a press conference on February 23, after world press agencies had already broken the news.

MSZ Explanations

Several astounding statements were made at a briefing chaired by Director Wojciech Pomianowski of the Department of Africa, Asia, and Oceania—mainly that North Korean activities are not directed against the Poles, but against NNSC as a whole, and that Pyongyang's decision should not be viewed only in the context of relations between North Korea and Poland. "We do not want to mix the issues," stated Director Pomianowski outright.

Thus MSZ claims that the deliberate obstacles to the day to day activities and operations of our six observers over the last year and a half "were not directed against the Poles." The ultimatum that if our officers did not leave Panmunjom by February 28 their food, energy, and water supplies would be cut off was also not directed against them? The threat that observers—all holding diplomatic passports and operating on the basis of legitimate international agreements—will be considered "unwelcome immigrants" and spies does not relate in any way to Polish-North Korean relations? The North Korean Embassy's refusal to accept an MSZ reply to the 8 February note also has nothing to do with bilateral relations? Prohibiting the Polish observers from taking property worth at least $50,000 also does not relate in any way to relations between Warsaw and Pyongyang? What and who do all these issues relate to in that case?

Director Pomianowski also said that the withdrawal of Poles from Panmunjom does not put an end to the Polish presence in the NNSC. MSZ contrived a plan to locate the head of the Polish mission in a different part of the country, and to send him via Seoul to the southern part of the demilitarized zone for sessions of NNSC members once a month. As we remember, the Poles' role was to supervise the observance of the peace agreement in the North. It is interesting to note how MSZ believes Poland can remain in NNSC continuing to retain its credibility once our observers are no longer present on the territory they were to oversee. Director Pomianowski also said that our country will appeal to the international community to protest against the North Korean decision to remove our observers. Why is action taken barely minutes before the Poles are to leave Panmunjom, and why was nothing done a year and a half ago, or at least last month, when MSZ already had Pyongyang's ultimatum in writing?

In the quest for reasons for the current situation it must be said that our diplomacy clearly seems to have underestimated both the determination of DPRK and its deep knowledge of the developments in our country. Pyongyang, with an embassy staff of more than 120 people in Warsaw, is perfectly well aware that due to the current political crisis in our country MSZ and the Ministry of National Defense are practically paralyzed. Thus the fact that they decided to remove the Polish observers just now, when both ministries have far more serious concerns than the fates of six Poles on the remote Korean Peninsula, is probably no coincidence. Besides, Pyongyang could not have helped but arrive at such a solution as Warsaw failed to react to the first decisive action it took in January, just as no one reacted to the fact that the Polish observers were harassed over the last year and a half. At this point one should ask: "Why are we so determined to separate the issue of the Polish observers from bilateral relations with North Korea, disregarding the fact that Pyongyang treats Polish passports like worthless scraps of paper and shuts its door in front of MSZ's face, refusing to accept a reply to a diplomatic note? Now MSZ claims that Polish observers

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must be withdrawn from Panmunjom because their health and safety are at risk, which is grotesque considering the "friendly" relations we are trying to maintain with North Korea at all costs.

How To Leave the Mission

Should we leave the mission in Panmunjom like dogs with their tails tucked between their legs, or obstreperously like the Czechs did, closing down their embassy in Pyongyang in retaliation and ousting the majority of North Korean diplomats from Prague? Should Poland really be so keen on maintaining relations with North Korea and remaining in NNSC? The battle for Panmunjom has been lost anyway, because no one took up the fight when there was still time. Yet it is never too late to answer all the questions. North Korean authorities have been providing proof of their disrespect for Poland and the Poles for a long time now. Does it thus make any sense to maintain any contacts with them on the ambassadorial level and to tolerate the presence of dozens of North Korean diplomats in Warsaw? Political and economic cooperation with Pyongyang is practically nonexistent. North Korea does not honor Polish diplomatic or business passports.

Perhaps one should not expect the most totalitarian and isolated state in the world to behave in a cultured manner, to suavely persuade Poland of its reasoning, and to bid the observers a pompous farewell. After all, the Poles went there at the request of the North Koreans themselves, they were stationed there for 40 years, and were guarantors of peace on the Korean Peninsula. Is this what the windup of the Polish peace mission should look like? Does Poland deserve to be blackmailed by North Korea? And the international implications of the entire issue? Due to its participation in UN peace missions Poland once was a non-permanent member of the Security Council and is currently applying for renewed membership. Poland is also aspiring to join NATO and is trying to earn the international prestige it deserves. Yet since Poland is unable to say a definite "no" to North Korea or take brisk action against its decisions, the outlook for our operations on other international arenas looks grim.

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Izetbegovic Sets Goals for 'Bosnia of Free People'

AU0103123795 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1115 GMT 1 Mar 95

[Address by President Alija Izetbegovic of the Bosnia-Herzegovina Presidency at the ceremony held in Sarajevo on 1 March to mark the Independence Day of the Republic of Bosnia-Herzegovina—live]

[FBIS Translated Text] Ladies and Gentlemen, sisters and brothers, dear esteemed friends: I have the honor to greet you on behalf of the state authorities of Bosnia-Herzegovina and to address you [word indistinct].

I thank you for coming to mark together with us our great state holiday, the Independence Day. Today brings to mind dilemmas and apprehension—as well as suffering, struggle, heroism, and victims—and of course it reminds us and always will of spring. Since then, since that 1st of March, three full years have gone by. Three years is not a long period in the life of a nation, but in three years on this little piece of land more events have taken place—good and bad events, more strife, more crimes, more treason, and more heroic acts, more life and death—than in any three centuries of our history.

We were destined to be contemporaries of dramatic events, and to live at this very time and in this very place. We are not a happy generation, but we can be a proud one. Considering the vast scale of suffering, one question inevitably arises: Was this path of suffering, of struggling for freedom, the only possible choice? Was there any way in which this tragic clash with history of ours could have been avoided?

The answer to this question, brothers, takes us back to tumultuous 1991, to the wars in Slovenia and Croatia, to their referendums, to the disintegration of Yugoslavia, to Vukovar and Dubrovnik, and everything that followed. We found ourselves at a historic crossroads: Bow our heads and stay in the rump Yugoslavia, or more precisely, greater Serbia, or stand up and march in the direction of freedom, with all the risks that such a choice implied and imposed. We opted for the latter. I say that we opted, although I am not certain that this is the correct word. There was no choice in fact. Everything had already been decided, as the decision lay in the character of our people and events unraveled as inevitably as in an ancient Greek drama. We could not have put our freedom to use in any other way. Free people are slaves to freedom.

The first day of March was our fate and it is an inconsiderate and even unscrupulous question whether anything could have been any different. We would not be what we are if we had then opted for submission in the name of a dubious security. Of course, the question that remains is what kind of security that would have been. We can see it clearly now in the position of Montenegro, and the people in Kosovo and Sandzak. It is true that we have been suffering, and we are being killed, but this is for the freedom of Bosnia, not for someone else's interests on fronts against Croatia, against Sandzak, and Kosovo for the greatness and glory of greater Serbia. Therefore, there was only one path, and our people on this day three years ago took that path. That is the meaning of the 1st of March and our holiday today.

I am not going to mention the usual topics today: the federation, the confederation; the justice and injustice of the peace plan; the blue roads and humanitarian aid; and war and peace. Today, the 1st of March, I am deliberately avoiding these very important topics in order to draw your attention to the most important of questions—what we call the constant in our struggle: Our goal is a Bosnia of free people, a Bosnia where a man and his rights will be respected. The concept of pure ethnic states, monoreligious, one-party para-states—and I use the plural here—we counter with our concept of a free and democratic Bosnia. We counter hatred and intolerance with democracy and tolerance. When we put this motto on all our flags, we commit ourselves to aspiration toward them, adjusting ourselves every day, and indefatigably setting right everyday injustices.

We are not doing this for them. We do not owe them anything. We are doing this for ourselves. By defending this principle, which is higher than civilization—which in effect makes civilization possible—we will get stronger every day, and we will save and preserve Bosnia.

Finally, every nation has a promised land. Our promised land is Bosnia. I call on you: Let us fight for it.

Report of 15 Helicopter Overflights From FRY

AU0103201595

[FBIS Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1800 GMT on 1 March reports the following cease-fire violations in the country:

Mirza Sadikovic reports "yet another extremely difficult day in the UN safe haven in Bihac district." According to Sadikovic, "nearly all the defense lines within the theater of operations of the Bosnia-Herzegovina Army 5th Corps" have been under attack since the morning. "In the afternoon, the attacks on the Bosanska Krupa part of the front intensified and the chetniks shelled civilian settlements and defense lines using howitzers and tanks. They were also constantly attempting infantry breakthroughs. The chetniks also attacked intensely on the Velika Kladusa part of the front." Sadikovic also reports attacks in the Bihac area, on the Grmusa-Srbljani plateau, and in Buzim Municipality.

Quoting information from the 1st Corps, the reporter in the studio, Amira Durakovic, says that one person was injured by a sniper in Dobrinja Five and another in Strojerad today. According to Durakovic, "the aggressor" also violated the cease-fire by firing infantry arms and antiaircraft machine guns at the defense lines in (?Lamezovo Brdo), Stup, and Sokolovic Kolonija.

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Durakovic proceeds to say that, in the Brcko area, "the enemy opened fire from machine guns, antiaircraft arms, and rifles at the positions of the 108th Motorized Brigade," adding that the central lines of Brcko's defense in Djukici were also attacked with those weapons this afternoon.

In the theater of operations of the 4th Corps, Amira Durakovic goes on, "the chetniks shelled the area of Osljak and also fired one round at (?Vratici), which is a part of the Mostar demilitarized zone."

"Overflights of enemy helicopters have recently been spotted in Srebrenica," the reporter says, "namely, at 2100 [2000 GMT] last night, approximately 15 overflights from Serbia toward Bratunac were registered over the burnt-down Muslim villages." An "aggressor's" helicopter overflight was reportedly also spotted on the Foca-Sokolac route.

According to the reporter, the attacks have also intensified in the theater of operations of the 2d Corps, where infantry and mortar fire was noted over the past 24 hours. One civilian was killed on the Gradacac part of the front, Durakovic says. "The defense lines in Majevica were also attacked by aggressor's artillery and infantry arms," she reports and adds that "overflights of enemy helicopters along the so-called Bratunac-Majevica-Sekovici and Bijeljina-Pelagicevo-Modrica corridors" were registered in this area.

Serbs in Croatia Stop Bihac Food Convoys

AU0203105395 Paris AFP in English 0948 GMT 2 Mar 95

[FBIS Transcribed Text] Sarajevo, March 2 (AFP)—Breakaway Serbs in Croatia have stopped relief food convoys from crossing into Bosnia's northwest Bihac pocket, a spokesman for the office of the UN High Commissioner for Refugees (UNHCR) said here Thursday.

No reason was given for the abrupt cancellation of clearances earlier given to two UNHCR food convoys which had been scheduled to leave Zagreb for the besieged pocket on Thursday and Friday, Kris Janowski said. Another food convoy, destined for Bosnian government-held territory in the centre of the besieged enclave, has been held up at the Bosnia-Croatia border since Tuesday.

This follows reports of increased fighting in the north of Bihac pocket between government forces and Serb-backed rebel Moslems. Over the last 24-hour reporting period, ending at 8 a.m. Thursday, 800 shell explosions were monitored along frontlines near Velika Kladusa, a rebel-held town in the north of the pocket, UN Protection Force spokesman Major Herve Gourmelon said.

Another UNHCR convoy, which had taken food to Bosnian government-held territory earlier in the week, remains trapped south of the lines by the fighting. The trucks, which had been travelling back empty to Zagreb, came under shell fire on Tuesday morning, just south of Velika Kladusa and were forced to turn back.

Serbs Arrest Charity Workers, Ban Convoys

AU0103164595 Paris AFP in English 1536 GMT 1 Mar 95

[FBIS Transcribed Text] Sarajevo, March 1 (AFP)—Six employees of a Moslem charity organisation, including its chairman, have been arrested by Bosnian Serbs in Banja Luka in the north of Bosnia, a UN refugees agency (UNHCR) spokesman said Wednesday. Another three were detained earlier in Prijedor and one in Sanski Most, west of Banja Luka, Kris Janowski said.

The latest arrest was that of a Merhamet charity accountant, held by police Wednesday morning. His computer and files were also seized. The UNHCR has protested to Bosnian Serb authorities over the arrests, whose reason was not immediately known.

Serbs in the Banja Luka area have recently rekindled a campaign of "ethnic cleansing," forcing several hundred Moslems to flee their villages and cross into government-held territory.

Meanwhile, Bosnian Serb authorities have also refused permission to all UNHCR convoys scheduled for Sarajevo next week to cross their territory, Janowski said. This was the first time the Serbs had announced such a blanket restriction to aid destined for the capital since heavy fighting took place in November. No reason was given for the move.

The food situation in the capital was "good with fairly large stocks of food," but this was "an alarming sign," Janowski said. Food continues to be delivered into the besieged city by air.

'Worst Ethnic Cleansing' at Banja Luka Viewed

AU0103174795 Paris AFP in English 1709 GMT 1 Mar 95

[FBIS Transcribed Text] Belgrade, March 1 (AFP)—Serb separatists in the Banja Luka region of northwest Bosnia have in the past week carried out "some of the worst ethnic cleansing in the last year," UN Protection Force [UNPROFOR] spokesman Alexander Ivanko said here Wednesday.

A total of 679 people have been forced from their homes in the region and their houses dynamited since two UNPROFOR civil affairs officers were forced to leave the town a few days ago, Ivanko said. On Tuesday the UN High Commissioner for Refugees [UNHCR] in Geneva said at least 300 Moslems had been terrorised and chased from their villages in the Banja Luka region over the past few days.

The UNHCR estimates that the Moslem population of northwest Bosnia has been reduced by ethnic cleansing

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from a prewar figure of around 500,000 to between 30,000 and 37,000 now. Ivanko added that the Serbs had not made good on a pledge given several months ago to allow the opening of an UNPROFOR civilian affairs bureau in the part of Sarajevo that they occupy.

Both the Bosnian Government and separatist Serb side were hindering free movement of UN peacekeepers in several areas, he said, noting a deterioration in relations with both sides. "We see less and less progress in our relations with the parties," he said.

The government side was seriously hindering UN troops in the Tuzla region of northeast Bosnia, though some freedom of movement remained. However on the Serb side, in the same region, there was "zero freedom of movement," he said. Bosnian forces were also preventing UN troops from circulating normally in the Gornji Vakuf and Bugojno regions in central Bosnia, Ivanko added.

Karadzic Accuses Turkey of Reinforcing Muslims

NC0103211495 Nicosia Cyprus Broadcasting Corporation Radio Network in Greek 2000 GMT 1 Mar 95

[FBIS Translated Text] Turkey is offering military, economic, and diplomatic assistance to the Muslims in Bosnia in an attempt to infiltrate the Balkans. The Muslims aim at uniting their territory with Turkey through a corridor that would pass through Kosovo, Skopje [The Former Yugoslav Republic of Macedonia], and Bulgaria.

The Turkish methods were denounced by Bosnian Serb leader Radovan Karadzic to Kostas Yennaris, the CyBC [Cyprus Broadcasting Corporation] special correspondent in Bosnia, who together with a team of cameramen visited Belgrade and Bosnia. The Serbian leader also charged that the Turkish economic and military aid is channeled to the Muslims through the Turkish contingent of the UN peacekeeping force in Bosnia. He also accused Turkey of trying to become a regional power at the expense of the area peoples by reinforcing the Muslims in the war against the Serbs.

Radovan Karadzic expressed support for and solidarity with the Cypriot people. He also stressed that the Serbs have many disadvantages but they have the advantage of being supported by Greece and Cyprus. The Serbian leader finally wished for a quick liberation of Cyprus and his desire to visit the island.

Serbs To Attack Planes With Arms for Muslims

LD0203120395 Belgrade TANJUG in English 1137 GMT 2 Mar 95

["Pool" item]

[FBIS Transcribed Text] Belgrade, March 2 (TANJUG)—Bosnian Serb official Dragan Kapetina has said the Bosnian Serb supreme command had ordered the downing of planes carrying weapons for the Muslims and landing at Tuzla Airport.

In an interview to the latest issue of the privately-owned Belgrade weekly, TELEGRAf, Kapetina said the decision had been made after futile Bosnian Serb protests with UNPROFOR [UN Protection Force] that officially unidentified aircraft were landing at Tuzla Airport. The town of Tuzla, in the northeast of the former Yugoslav Republic of Bosnia-Herzegovina, is controlled by the Muslims.

Kapetina said that Western cargo planes were, under cover of darkness and bad weather, using Tuzla Airport to supply the Muslims with the most sophisticated U.S. weapons after the Muslims removed the Serb representative from the airport and prevented UNPROFOR from controlling the runway. Kapetina said Muslim helicopters were using the no-fly zone over Bosnia to ferry military equipment to their enclaves in eastern Bosnia.

Kapetina said the Muslims had over the past month received weapons despite the U.N. ban on arms deliveries to the entire territory of the former Yugoslavia. He said that this period was sufficient for the delivery of several thousand tonnes of arms.

The commander of the Bosnian Serb army Eastern Corps, Gen. Novica Simic, also confirmed the Bosnian Serbs would no longer tolerate arms deliveries to the Muslims. Gen. Simic said his troops would not allow any aircraft to land or take off from Tuzla Airport.

Belgrade daily POLITIKA EKSPRES Thursday quoted Gen. Simic as saying that UNPROFOR had violated the agreement that Bosnian Serb monitors be posted at the Tuzla Airport to control it is used solely for humanitarian aims. 'This is why at this moment we consider the use of the airport illegal,' Gen. Simic said.

UNPROFOR monitors reported that during Tuesday night cargo and light planes and a group of helicopters had flown over the Tuzla Airport, while at least three Hercules C-130s are believed to have landed there. UNPROFOR spokesman Yuriy Chizhik Wednesday said, however, that UNPROFOR had no proof that any aircraft had landed in Tuzla or that certain goods had been unloaded, because the Muslims had refused to allow U.N. monitors to the airport.

U.N. spokesman for peace operations, Fred Eckhard, said on Wednesday that NATO said its Air Force had conducted a training exercise over Tuzla at the moment when the U.N. monitors noticed low flying aircraft over the Muslim-controlled part of the airport. He said there still was no explanation for the cargo C-130 planes. 'The entire truth may never be revealed, but we are ready to leave this behind us and move on,' Eckhard said.

Eckhard's unconvincing explanation leaves the impression that there is truth in Wednesday's claims by THE

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NEW YORK TIMES that the United Nations had turned a blind eye to arms deliveries for the Muslims because it depends on NATO to provide cover for a possible UNPROFOR withdrawal from Croatia and Bosnia.

French Foreign Minister Alain Juppe said Wednesday: 'We are aware that both helicopters and planes are flying over Bosnia and that they seem to by carrying something different from bananas and sweets, i.e. weapons.'

Delic Notes Strength of 'Liberating Capacities'

AU0103210495 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 1 Mar 95

[FBIS Translated Text] On the occasion of Ramadan Bairam, General Rasim Delic, commander of the General Staff of the Bosnia-Herzegovina Army, sent greetings to Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, in which it is stated:

In the name of all members of the Bosnia-Herzegovina Army and in my own name, I wish you happy and blessed days of Ramadan Bairam. Our country and our people, our Army and its members are celebrating the third Bairam of the war. This third Bairam of the war comes as the crown of the unparalleled growth and strengthening of our defense and liberating capacities.

Just as what is essentially the Koran's view—that a man is his own guard—has prevailed among the citizens of our country, regardless of their political and religious beliefs, a belief has matured in our Army that the spiritual strength of our defense is the unmeasurable advantage that will ultimately tilt the scales in favor of our just struggle.

A great creative and moral energy has been created in our Army in the days of Ramadan, which inspires hope that, with our forces and with God's help, we will win a just peace for our country. Our guiding stars on this path will be the principles symbolized by these holidays.

Sarajevo Airport Closed After Plane Fired On

AU0203111295 Paris AFP in English 1047 GMT 2 Mar 95

[FBIS Transcribed Text] Sarajevo, March 2 (AFP)—Sarajevo Airport was closed Thursday after a plane was fired at, the United Nations said here. Lieutenant Colonel Gary Coward, a spokesman for the UN Protection Force (UNPROFOR), said an aircraft departing from Sarajevo for Zagreb was apparently shot at Thursday morning.

Banja Luka Officials Criticize Serb Authorities

LD0203114595 Belgrade BETA News Agency in Serbo-Croatian 1601 GMT 28 Feb 95 (tentative)

[FBIS Translated Text] Banja Luka, 28 Feb (BETA)—Deputies in the Banja Luka municipal assembly today again sharply criticized the central authorities of the Serb republic in Pale.

The deputies claim that the Banja Luka municipality, as one of the largest in the Serb republic, is giving much more money to the central budget than is returned to it for financing the municipality's general needs.

It was said today that the state owed salary payments it should have made in the second half of last year. Education has been particularly affected. Teachers have been forced into smuggling to feed their families, it was said in the debate.

Banja Luka deputies were also criticized for failing to demand a debate on budget expenditure in the Serb republic.

Sarajevo HDZ Leader Views Position of Croats

AU0103113295 Zagreb VJESNIK in Serbo-Croatian 20 Feb 95 p 7

[Interview with Ivan Vidovic, president of the Sarajevo Committee of the HDZ for Bosnia-Herzegovina, by Ivan Sabic; place and date not given: "No Capital City Without Croats"]

[FBIS Translated Text] Ivan Vidovic has been president of the Sarajevo Committee of the Croatian Democratic Community [HDZ] for Bosnia-Herzegovina since September last year, when he succeeded Tomislav Obrdalj, who is currently deputy president of the HDZ for Bosnia-Herzegovina. However, the Croatian public is not very familiar with his political activities. This changed to a certain extent last week, when Vidovic visited Mostar, where he met the leadership of the Croat Republic of Herceg-Bosna, and then went to Zagreb, where President Tudjman received the delegation he headed.

[Sabic] You have been president of the City Committee for a little less than half a year. What changes have been made in the committee, and, generally, how much have the conditions in which you operate changed?

[Vidovic] Most of the members of the City Committee are the same. In fact, there have been no major changes.

Earlier, during the war, we were several times faced with the situation in which we were banned as an undesirable political organization in the city of Sarajevo, if not a terrorist one. This is directly related to all the events concerning the relations between the Croats and Muslims in Bosnia-Herzegovina, particularly with the conflict between the Bosnia-Herzegovina Army and the HVO. It was then proposed that I sign a paper dissociating myself from Herceg-Bosna, but I refused to do so. In these circumstances it was possilbe to feel that the Croats in Sarajevo were somehow inclined toward the HDZ; we accepted new members, which means that the people trusted us.

[Sabic] When you were elected to your present position you probably had in mind certain aims you would try to achieve. Are you satisfied with what has been achieved?

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[Vidovic] When we formed the new City Committee at the conference of the HDZ of Sarajevo in September, I realized that it was an entity, and I proudly accepted the duties of president. We set as our main aim the consolidation of the HDZ position in relation to the other parties. Our appearances must inspire trust, they must be aimed at improving the general situation concerning the position of the Croats in Sarajevo. Apart from this general task, we also have a special task for ourselves, which was to gather Croats around us and make them function in the same spirit. We do not have to think the same, we do not have to be in the same party, but we all have to defend Croat interests, because that is the only way we can survive in the city of Sarajevo. By this I primarily have in mind the gathering of intellectuals. They are the moving force. I think that we have achieved certain results in that aspect, and the central office of the HDZ for Bosnia-Herzegovina helped us in that.

[Sabic] How successful were you in consolidating the HDZ in relation to the other parties, which you have said was one of your aims? What are your relations with other parties?

[Vidovic] I think we have been successful in our efforts. First we consolidated our position by attracting the people who knew how to, and wanted to contribute to the general welfare of Croats and the coexistence with others. We made connections with the Croat businessmen in the city of Sarajevo who know how you are supposed to act and how it is possible to survive in the economic sense. After that we had appearances in which we made it clear that we would not relax our efforts to preserve "Croatness" in the city of Sarajevo.

The reactions that followed make it possible to conclude that the Party of Democratic Action [SDA] also received us well. We cooperate well with them, but we are not satisfied with their overall behavior. Everything that makes the life of the Croats in the city of Sarajevo either easy or difficult is not going the way it should. The politics of the SDA, implemented by the Muslim officials at all levels, does not take much notice of the interests of others. If Sarajevo is the capital of the Federation, then the representation of the Croats in the city authorities must be the same as that of the other peoples, otherwise they would be in the position of a minority. However, Croats will not be pushed aside and not be part of the authorities. If they are pushed aside, they will completely withdraw, which means that there will be no capital of the Federation. The capital must contain both the Croat and the Muslim component, and, if we are lucky, the Serb one too.

[Sabic] Did you present these positions to the SDA leadership? If you did, what was their reaction? They probably do not like that.

[Vidovic] I expect they do not. We have been considering these problems for a while now. Perhaps this has lasted a bit too long. However, considering the undefined regulation in the Federation Constitution, which says Sarajevo is a district and provides no explanation, we had to consult our lawyers and some other people, and we came to the conclusion that Sarajevo must be organized in a way different from the usual principles. Sarajevo is specific, as is the entire Bosnia-Herzegovina. The city must be organized in such a way that all the peoples have equal representation in the authorities, which means that Croats must have 33 percent representation. We have drawn up the basis of the city organization. This will be presented to our party officials and Croat officials in the authorities as a proposal, and I think that they have to defend these positions. The City Committee of the HDZ for Bosnia-Herzegovina cannot defend it because we are not a body of authority at the level of the Federation. This would make it possible to create the conditions for Croats to return to Sarajevo.

Moreover, since the election law anticipates that all citizens will be able to vote for all the candidates, it may happen to us in Sarajevo, if the SDA politics is unfair, that at some future elections certain Croats are elected that do not suit us. In Sarajevo we are at a great disproportion in relation to the Muslims, and we therefore have to procure the election law according to which Croats will only be elected by Croats. In that case we will not fear our victory, which is what will guarantee the existence of Croats in Sarajevo. If others decide who our representatives in the authorities will be, this will not be good for Croats, as has been shown in practice.

[Sabic] When we talked about certain indications of the policy that the City Committee of the HDZ will implement, you pointed out the importance of gathering intellectuals and businessmen. However, the associations gathering these two categories already exist at the Croat Cultural Society Napredak. Do you cooperate with them?

[Vidovic] Our aim was to connect with these associations. The businessmen gathered at the Croat Commerce Community [Hrvatska gospodarska zbornica] had already set it as their aim to help the Croats in Sarajevo, but I think they made a mistake. They asked Croatia and Herceg-Bosna for support without the political support of the HDZ. I think that it was precisely for this reason that the Croat Commerce Community has not done much. They all conduct their business almost independently, but when we talked to them they assured us that everybody was prepared to put their services at the disposal of the Croat people, in an organized manner. They accepted our way of thinking, because what is in their interest is also in the interest of all the Croats, and what is in the interest of Croats is also in their interest. I think we are going to make ties in that aspect too. Once the new authorities are established, once Croats have the chance to use the property of the Croat companies in Sarajevo, of which there are many, we will not have enough personnel to work there. If Croatia does not seek its interest in Bosnia-Herzegovina through donations and aid, but through economic interest, this will be of great help to the Croats in Bosnia-Herzegovina. Naturally, the Federation needs to come to life before that.

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[Sabic] Do you have accurate information regarding the property of the Croat companies in Sarajevo?

[Vidovic] We have a team that works conscientiously, and that has made lists of all the offices owned by companies from Croatia. We will demand that our central office make efforts to have these companies allow us these offices. Naturally, the precondition for this is that the property of the Bosnian companies in Croatia is preserved.

[Sabic] According to the latest census, there were a little less than 35,000 Croats in Sarajevo. Many of them have moved out in the meantime, and very different estimates are mentioned. Do you have any data concerning the number of Croats in Sarajevo at present?

[Vidovic] It is estimated that at a certain point after the war had started about 60,000 people in Sarajevo declared themselves Croats. Many people from mixed marriages are included in this number. At the beginning of the war it was very popular to be a Croat in Sarajevo. Many Muslims and Serbs are still declaring themselves Croats in order to get certificates of Croatian citizenship and thus travel through Croatia or settle there. We in the HDZ are not very happy about that. We are not asking anyone to be a Croat if they are not one; let them just be a good person. We do not need people presenting themselves as Croats and then plotting all around Croatia. Therefore, it is clear that we do not have accurate data. We knew from the census data that there were 34,800 Croats, and we assumed that of the 75,000 Yugoslavs in the city of Sarajevo there were 15,000 Croats, which would make 50,000 Croats in Sarajevo. In the meantime many of them became refugees, so our estimate of the present number of Croats is between 20,000 and 30,000. The blessing of houses was recently finished, during which the priests were making lists, so we should have quite accurate data soon.

[Sabic] Recently, especially during the summer, when the cease-fire was in force and when the "blue routes" were open, there was talk about returning.

[Vidovic] Some people have returned, but the number of those who are leaving is greater. The worst thing is that the middle-aged people and children are leaving, and only old people are staying. During one of the censuses of retired people it was established that about 7,500 retired Croats lived in the city. Croats have been moving out because, like everyone else, they are endangered with the shortages and poor living conditions, as well as because the personnel policy is not implemented properly. Muslims are favored, and Croats replaced in all positions. We expect this to change with the establishment of the Federation. Only if the Federation comes to life will the existence of the Croats be guaranteed.

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RSK Deputies Demand Confidence Vote in Mikelic

LD0103200595 Belgrade TANJUG Domestic Service in Serbo-Croatian 1908 GMT 1 Mar 95

[FBIS Translated Text] Knin, 1 Mar (TANJUG)—The assembly of the republic of Serb Krajina [RSK] ended its session this evening when it was expected that RSK President Milan Martic's request for the dismissal of Krajina Prime Minister Borislav Mikelic will be read out to the deputies.

Assembly Speaker Rajko Lezajic, told the deputies about President Martic's proposal, but he did not read it out. He explained his decision not to do so by saying that the request for the dismissal of the prime minister arrived too late, when the session was already under way. The explanation of the request has not been distributed to the deputies, which will be done tomorrow.

This evening the assembly received the proposal from 20 deputies for a confidence vote in Prime Minister Mikelic.

The proposal was put forward by 11 deputies of the Serb Radical Party, five deputies of the Serb Democratic Party of Krajina, and four other deputies.

The assembly will resume the session tomorrow.

Martic on Request

LD0103224595 Zagreb HTV Television in Serbo-Croatian 2140 GMT 1 Mar 95

[From the "Slikom na Sliku" program]

[FBIS Translated Excerpt] In Knin, Milan Martic wishes to replace so-called Prime Minister Borislav Mikelic, a man who has at least negotiated and signed an economic agreement. We should not expect anything spectacular from this but it seems this is mostly due to the hard militant option—to replace Mikelic, Milosevic's man in Knin. [passage omitted]

Esteemed viewers, we have a report by our correspondent in Knin, which was forwarded to us while the Assembly was still in session.

[Begin unidentified correspondent recording] [passage omitted] President Martic explained his request by saying that the government has failed to fulfil its obligations, and that the prime minister is to blame for the unacceptable organization methods and the unacceptable way of running the government. The economic system of the republic of Serb Krajina [RSK], the president believes, has been put in a difficult position, as illustrated by the advanced state of the monopoly, the blockade of free trade, and the selection of economic subjects, according to the criterium of closeness to the prime minister, the consequence of which is the movement of an enormous amount of capital into the pockets of a small group of economic subjects and war profiteers.

The president of the republic says in his request that the reasons for this are numerous. He mentions, in particular, the management of Krajina's forests and its sources of energy, first of all oil and oil derivatives.

Such a situation, President Martic believes, calls into question the functioning of the RSK defense system, and for this reason he is calling for the replacement of the prime minister.

At this moment it is not yet known whether the assembly will discuss the president's request this evening, or at the next session. [end recording]

Susak on War of Liberation To Regain Krajina

AU0203102895 Hamburg STERN in German 2 Mar 95 pp 180-181

[Interview with Defense Minister Gojko Susak by unidentified correspondent; place and date not given: "We Are Conducting a Struggle for Liberation""]

[FBIS Translated Text] [STERN] Minister, President Tudjman wants to send home the UN Protective Force from Croatia. Will that create the danger of a new Serb-Croat war?

[Susak] Look at the map. For us the status quo in Serb-occupied Krajina is worse than war. Croatia cannot exist within these borders. Serbia no longer has the strength to cope with a major war, neither militarily nor economically, which is why it will not come to that. If Belgrade recognizes the Republic of Croatia, the Krajina Serbs will be finished. The international community and Germany in particular must maintain the sanctions against Belgrade until Milosevic recognizes our borders. Then we can solve the Krajina problem without a war. We may have to undertake some limited action around Knin, in places where Serbian terrorists have entrenched themselves.

[STERN] Does this mean through the use of force?

[Susak] Yes.

[STERN] The Bosnian Serbs of Radovan Karadzic and General Mladic have announced that in such a case they would not hesitate to help the Serbs in Krajina....

[Susak] ... they have only enormous amounts of arms, not a successful army.

[STERN] I beg you pardon? Karadzic's forces control 70 percent of Bosnia and you believe that you can cope with the Krajina Serbs and the Bosnian Serbs at the same time?

[Susak] Yes. In canceling the UN mandate, President Tudjman took all the factors into consideration, including the military ones. He is a general himself and has fought in a war before. We will not be conducting a normal war but a "struggle for liberation." That is what counts in the eyes of Croatian men.

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[STERN] The international community simply would not accept a war in Krajina....

[Susak] ... the international community will not react if we act in a professional and swift manner, which our army is capable of doing. We currently have 114,000 troops and we could mobilize up to 500,000 men overnight without any problems.

[STERN] In December, when the Croatian and Bosnian Serbs attacked Bihac, the Croatian Army wanted to attack Krajina, but were stopped by the United States and Germany at the very last minute....

[Susak] ... a pity, because it would have been a good moment to intervene there. Within two or three days we could have had the whole of Krajina under our control, but there was a risk that hundreds of UN soldiers could have died, which we could not have justified in the face of world opinion.

Council Discusses UNPROFOR Mandate End

LD0103200995 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 1 Mar 95

[FBIS Translated Text] The Defense and National Security Council has held a session in the Presidential Palace. It discussed current issues concerning the implementation of the state policy. The council was resolute in its view that Croatia should stand by its decision to terminate the UNPROFOR [UN Protection Force] mandate on 31 March, and that it should not be renewed under any circumstances. The council also said that Croatia is prepared to accept the deployment of international observers along Croatia's internationally recognized borders with Serbia and Bosnia-Herzegovina as proof of its resolve to settle the issue [of Krajina] and ensure the reintegration of the temporarily occupied areas by peaceful means. Croatia will not accept any new UNPROFOR or the deployment of any forces along the separation lines in Croatia.

The Defense and National Security Council recommended the Croatian Government table a motion in the assembly for an amendment to the Amnesty Law, suggesting an extension of the deadline after 25 September 1992.

The Defense and National Security Council recommended that the judicial authorities, in keeping with the state policy, should wait for the expected amendment to the Amnesty Law and abstain from bringing proceedings against absent persons.

In the light of the present situation concerning the termination of UNPROFOR's mandate and its departure, and efforts for the peaceful reintegration of Croatia's temporarily occupied areas, all state bodies are expected to consistently implement the state policy.

Tudjman on UNPROFOR Mandate, Serb Relations

LD0103160095 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 1 Mar 95

[FBIS Translated Excerpt] President Franjo Tudjman today received a delegation of the European Union of Christian Democrats [EUCD] in Zagreb. The delegation was headed by European MP Wim Van Velzen. The delegation also included Klaus Welle, Monique Adenesser Giouculoni, Antigel Walter Godina, Dennis O'Hara, and Paul Williams.

President Tudjman spoke about the possibilities of a peaceful solution to Croatia's temporarily occupied areas, about the causes and beginning of the war, about all the past elections and referenda, and the role of the Croatian Democratic Union [HDZ] in creating Croatia's stability.

The president stressed that Croatia's majority party, the HDZ, was created on the basis of reconciliation. The HDZ was then able to take decisions in order to secure the stability of the democratic order. The president also spoke about the end of the UNPROFOR [UN Protection Force] mandate. UNPROFOR was used to consolidate the occupation of Croatian territories and their union with Serbia.

The president stressed that Croatia wants a peaceful reintegration of its temporarily occupied areas. Most of Croatia's Serbs and most of the Belgrade leadership have realized that war will not break out and that a peaceful solution is certain, he stressed. The president said that the developments in the wake of the decision to terminate the UNPROFOR mandate have confirmed Croatia's assumption. In this context, the functioning of the Zagreb-Lipovac-Belgrade highway and the Adriatic oil pipeline were discussed, as well as the fact that the mines along the Zagreb-Mirkovci-Belgrade railway line, via Okucani, have been defused. He also said that Croatia will initiate talks on opening the Zagreb-Split railway line via Knin.

The president stressed the need for normalizing Croatian-Serbian relations as well as Croatia's determination to involve international observers in the process of peaceful reintegration. They would be deployed along the border with Serbia and Bosnia-Herzegovina. [passage omitted]

Croatian Border Commission Chairman on Prevlaka

95BA0147C Zagreb VJESNIK in Serbo-Croatian 30 Jan 95 p 5

[Article by S.A.: "Any Arbitration Would Confirm Croatia's Right"]

[FBIS Translated Text] Periodicals in Montenegro are constantly concerned with Prevlaka, laying claim to that peninsula 2 km long at the entrance to Kotor Bay. They

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also emphasize the temporary nature of the present status (this is now a demilitarized area under supervision of unarmed UN military observers) and argue that in the endgame, thanks to international arbitration, Montenegro will get Prevlaka. The most recent expression of Montenegrin claims occurred in the periodicals of the neighboring state as a reaction to promotion of the book *Konavoska Prevlaka* (*Konavli Prevlaka*) by Dr. Josip Lucic and Dr. Stjepe Obad, which presents the historical facts about this entire region belonging to Croatia continuously for 100 years. In view of the frequent threats that Montenegro "will not give up Prevlaka, whatever the cost," we called upon Dr. Hrvoje Kacic, professor and chairman of the State Commission for Borders, to tell us his opinion on this border problem.

"The land border between the Republic of Croatia and Montenegro has been determined, and is respected on both sides, although there have been occasional minor border incidents that do not essentially disrupt the state of peace," Prof. Hrvoje Kacic explains. "In the future we have to establish the border at sea and in airspace at the entrance to Kotor Bay, and in the direction of the mid-Adriatic to establish the boundary line between the territorial waters, which are in contact both in coastal waters and also in the commercial zone. We have no formal notice to the effect that representatives of the so-called FRY [Federal Republic of Yugoslavia] have raised the issue of the peninsula Ostra in any international arbitration commission or other international forum. If we receive such notice, we will readily agree to take part in the proceedings. The arguments in Croatia's favor are extremely strong, and we will succeed before any objective forum. If the dispute is taken to the International Court in The Hague, it should be borne in mind that this requires consent of the other side, i.e., Croatia, because there must be agreement in advance on statement of the issue that is in dispute. An exception is the Badinter Arbitration Commission, which is attached to the Conference on the Former Yugoslavia. Up to now, the views of the Badinter Commission have instilled confidence, because they are the results of professional and objective evaluation both of the facts and also of the provisions of international law."

Shipowners Urged To Register Vessels in Country

95BA0134C Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 30 Jan 95 p 46

[Article by D.G.: "Vessels Are Changing Flags"]

[FBIS Translated Text] Of the 277 Croatian vessels engaged in international shipping, with a capacity of 2.4 million gross register tons, 137 are still flying under foreign flags. That is why the Ministry of Maritime Shipping and Communications has sent an invitation to all to come back under the national flag.

Croatia Line of Rijeka has had the most vessels under foreign flags in the last four years. Of its 36 vessels, with 577,000 gross register tons, only one was sailing under the Croatian flag. The return of another four large vessels has now been announced. Atlantska plovidba of Dubrovnik, with 24 vessels, has "flown" the foreign flag on 18, and Losinjska plovidba, with 22 vessels, has kept 15 under the Croatian flag.

Brodospas of Split has behaved similarly and has kept almost its entire fleet of tugs, but, on the other hand, the entire fleet of Jadroplov of Split, which consists of 17 vessels with 238,000 tons, is under a foreign flag. That is also true of Slobodna plovidba of Sibenik. This can also be said of Uljanik plovidba of Pula, which not only does not have a single vessel under the Croatian flag, but has not even been entered in the Croatian Register. Tankerska plovidba of Zadar also keeps most of its fleet under foreign flags.

By contrast with the large merchant and other vessels, all the ships of the passenger fleet of Atlas of Dubrovnik have remained in the country, while Splitska plovidba has only one of its nine vessels under a foreign flag. It is of interest that the only private shipowner in Croatia, Renci Pecotic of Dubrovnik, keeps all three of his vessels under the domestic flag.

Encouraged by the move of Croatia Line, leaders in this sector believe that other carriers will also follow this example, and that the entire job of changing flags once again can be finished quickly. Incidentally, the favorite flag for Croatian carriers is the one that belongs to Malta. There are 61 vessels flying it. Then come St. Vincent and the Grenadines with 46 vessels and Liberia with 18 Croatian vessels.

An example somewhat typical of Croatian carriers is Jadroplov of Split. This firm, whose ruin was predicted in 1991, is now, for all practical purposes, in the hands of the majority owner (68 percent of the stock), which is Privredna Banka of Zagreb. Twelve percent each is held by the Pension Insurance Fund and the Croatian Fund for Privatization, and the rest belongs to small stockholders. This carrier from Split, which has 17 vessels of its own and four that it manages, ended last year with a profit of $2.5 million. It has only 160 permanent employees, but it has another 700 sailors under contract.

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University Activities Under Way 'in Great Secrecy'

AU0103173295 Skopje NOVA MAKEDONIJA in Macedonian 1 Mar 95 p 4

["I.S."- initialed report: "The 'University' Operates in Private Houses"]

[FBIS Translated Text] Tetovo, 28 February. As we have discovered from sources that are close to the Albanian political parties that give full support to the "university" in Tetovo, the work of some faculties has continued today in private houses in the village of Poroj. The senate of the "university" is implementing the "second variant," which anticipates proceeding in private houses primarily and also in some restaurants, but in great secrecy, in which students and their parents are included. All activities are organized through messengers who take the students to locations where the studies are organized. However, there is no practical work, and this activity is just to prove that they will not give up the "university."

Serb Leader Using 'Squabbles' for Personal Gain

AU0103205695 Skopje NOVA MAKEDONIJA in Macedonian 1 Mar 95 p 4

[Commentary by Z. Petrov: "Parallel Power Promoted"]

[FBIS Translated Text] On 27 August 1992, the agreed upon minutes were signed by a representative of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia] Government, Interior Minister Ljubomir Frckovski, and Boro Ristic, president of the Democratic Party of Serbs in Macedonia, with the mediation of Gert Arens, who is in charge of interethnic questions for the Conference on the Former Yugoslavia. Several points were listed in the minutes on how to resolve open questions between the Serbs and the Macedonian authorities with a special view to the constitutional position of this nationality—that is, their introduction in the preamble of the Macedonian Constitution. The minutes anticipated 18 months for the agreement to be realized.

Nevertheless, after 18 months Boro Ristic appeared in public again—this time as president of the Democratic Alliance of Serbs in Macedonia—and was protesting the points that had not been accomplished. At a news conference that was held two days ago, the leader accused, as he said, the "Macedonian national bolshevik" government for not defining the Serbs' constitutional position and for not undertaking the appropriate actions to change the Macedonian Constitution and mention the Serbian nationality in addition the others in the Constitution. Aside from the accusations, which could be used to promote the party, Ristic's statement was characteristic of the part in which he announced the possible consequences (a moderate form for an ordinary threat). He stated that the minutes are no longer in force because the 18-month term had expired and that it gives the Serbs in Macedonia the right to solve their problems with outside assistance. Speaking on behalf of all the Serbs in Macedonia—he did not confirm whether he had this mandate or not—Ristic proclaimed the Serbs in Macedonia a nation and not a national minority.

The most interesting part of his statement was the announced homogenization of all ethnic Serbs in the state by forming a Serbian assembly and executive bodies as a para-power for the defense and articulation of Serbian interests in Macedonia. In the meantime, as a form and method for the struggle for freedom and national rights of the Serbs, the president of the Democratic Alliance of Serbs in Macedonia anticipated a "political guerrilla," which was his slogan for the news conference two days ago.

Boro Ristic, one of the cosigners, had signed his name as president of the Democratic Party of Serbs, but he was excluded from the party in November 1993. President Dragisa Miletic replaced him and proclaimed the minutes invalid. This is how the confusing situation was created, because Ristic founded the Democratic Alliance of Serbs and now—that is, two days ago—he is appearing as a representative of another political party. It is more than clear that the leader of the Democratic Alliance of Serbs does not care much about these "squabbles" and is just trying to use the appropriate moment (the events in Mala Recica—Tetovo—and the new interethnic tensions) to promote himself as the defender of Serbian interests in the Republic of Macedonia.

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Commission Dismisses Ideas About Restoration

AU0103183195 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 1 Mar 95

[FBIS Translated Text] Following a statement by UN Secretary General Butrus-Ghali about the restoration of the former Yugoslavia, as conveyed by APA news agency the day before yesterday and reported by nearly all Austrian media, the State Chamber Commission for International Relations met today at the initiative of several members. In connection with this statement, the commission passed a special statement. For our radio station, the statement is summed up by Commission Vice President Borut Pahor:

[Begin recording] The State Chamber Commission for International Relations took this opportunity to voice its concern over certain statements and their interpretations, among which was also the statement by UN Secretary General Butrus-Ghali, made in Vienna two days ago, that link the resolution of the crisis on the territory of the Balkans with a renewed linking of peoples and nations that gained independence on this territory.

We wanted to reiterate that the Republic of Slovenia is one of the successor states of the former SFRY [Socialist Federal Republic of Yugoslavia] and continues to pursue its policy of a democratic, stable, and independent entity in the international community. At the same time, we stated that the Republic of Slovenia, as an active UN member, is determined to create the new European architecture with other nations on an equal footing.

Therefore, if some political circles presently imagine that, for reasons of comfort or for political interests, it would be wiser to resolve the questions that stem from the crisis on the territory of the former Yugoslavia in a package, which would also include the Republic of Slovenia, then we must take every possibility to stress that Slovenia will not be part of this package. [end recording]

Interview With Secretary for Privatization

95BA0139D Ljubljana REPUBLIKA in Slovene 22 Jan 95 p 11

[Interview with State Secretary for Privatization Tone Rop by Alenka L. Jakomin; place and date not given: "Privatization's Big Finale"]

[FBIS Translated Text] The privatization process in Slovenia is in full swing, and it is estimated that 1995 will be decisive for privatization. Most of the enterprises that are being privatized in accordance with the Law on the Ownership Transformation of Enterprises have already submitted their privatization programs, and at many of them the first signs of the so-called second phase of privatization, or the phase of "real" privatization, are already apparent. We talked about this with State Secretary for Privatization Tone Rop.

[Jakomin] How do you assess the course of privatization in Slovenia to date?

[Rop] The results are above our expectations because programs have been submitted by many more enterprises than we initially expected. Among the enterprises being privatized in accordance with the Law on the Ownership Transformation of Enterprises, programs have been submitted by 90 percent, or 1,211 enterprises, and in addition to them programs have also been submitted by 69 enterprises that are being privatized under a combination of the Law on Public Economic Services and the Law on Ownership Transformation. The authorized investment funds have also been relatively successful in gathering citizens' ownership certificates, because they have collected a total of 65 percent of the total capital assets distributed. Furthermore, 1.8 million ownership money orders have already been sold, and according to our estimates the ownership certificates used to date have reached a total value of 300 million tolars. I think that privatization is proceeding quite efficiently in all areas, and further we can already monitor processes that are occurring after the so-called administrative phase of privatization, and we are observing that supervisory councils at privatized enterprises are already meeting and working. The first conflicts and disagreements between external and internal owners are also appearing already. Also interesting are the data on additional capitalization, because many enterprises have already decided on that method of privatization—the value of the capital being privatized through additional capitalization amounts to more than 10 billion tolars. That is more than the purchase price, or cash, spent to date; its value is 3.5 billion tolars. One of the good signs for privatization is therefore the net influx of funds into the enterprises, as opposed to an exodus.

[Jakomin] The end of 1994 was the deadline until which enterprises had time to submit programs for ownership transformation. What is happening with enterprises after that date?

[Rop] We are allowing all the enterprises that submitted privatization programs before that date to carry out their ownership transformation programs just as they themselves planned. All the enterprises that did not submit them on time—there are about 200 of them—will be called upon to prepare them immediately. If they do not do so, an appropriate method of ownership transformation will be prescribed for them by the Agency for Restructuring and Privatization. In that case, the Agency must first offer those enterprises' employees the possibility of internal purchase and internal distribution, and may also transfer the social capital in those enterprises to the Development Fund, which will take care of privatizing them. The latter will occur primarily at those enterprises where the enterprise management is not willing to cooperate. I think that such cases will only be the exception, however.

[Jakomin] From all appearances, in the future in Slovenia we will have a multitude of internal owners, who

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will at the same time be their own employers. Do you think that that kind of ownership will persist in the long term?

[Rop] The data indicate that approximately 85 percent of the enterprises, in terms of numbers, are ones where internal owners have more than 50 percent of the capital. That percentage is substantially lower, however, when we look at the value of the capital, because internal owners will not be dominant at the most important and at the same time largest Slovene enterprises. From the standpoint of the management of capital, in approximately half of the cases internal owners are dominant, but not in the other half. The influence of internal owners is also reduced by their numbers and thus also their very divergent interests. In fact, at some enterprises the employees, former employees, and retirees are already organizing separately and have separate stockholding agreements. In spite of that, however, I think that internal ownership cannot hurt in the long term, because there will undoubtedly be a gradual concentration of internal ownership. Furthermore, internal ownership also has certain advantages: greater identification with the enterprise, and greater internal supervision, but we have already been familiar with some types of internal ownership in the past. Of course, internal ownership can also have a negative influence, primarily if there are aspirations to increase internal costs. In my opinion, however, that cannot have a fundamental influence upon the development of Slovene enterprises.

[Jakomin] The Agency for Payment Transactions, Oversight, and Information has reviewed approximately 60 percent of all the enterprises that have been registered for an audit of the ownership transformation. The embezzlement of social property is over 37 billion tolars. To be sure, there have been many adjustments (primarily on paper), but it nevertheless seems that the audits are a fake: So far no one in Slovenia has been punished for embezzling social property.

[Rop] The audit proceedings are very important for privatization itself. If we did not have them now, they would still have to be performed sooner or later at numerous enterprises. The audit proceedings raise the credibility of the entire process and clear things up retroactively. The data indicate that those proceedings are taking place efficiently. In more than half the cases in which acts of embezzlement are identified, the enterprises themselves consent to adjustments, which is very important for the new owners, because they start with clear accounts. It is true, and also seems problematical to me, that so far personal responsibility for the embezzlement of social property has not been punished.

[Jakomin] There is a theory that the state is deliberately not taking any measures, because allegedly "The thieves are the competent and resourceful ones who will best take care of the Slovene economy's impetus in the future; if we block them now, who will be prepared to do anything? We would rather take care of them later on through a suitable fiscal policy." How would you comment on that theory?

[Rop] As far as I am concerned, and discussion within the government, I can say that it is not true. It is true that this is one of the weakest points in the credibility of the government and of those who are monitoring the systemic transformation in Slovenia. It is known from opinion polls that 60 percent of the citizens think that irregularities in privatization are one of the biggest difficulties in Slovenia. It is impossible to carry out a transition if there is no confidence in it. Of course, the government must not and cannot exercise direct influence upon the judicial authorities, although talks have also been conducted between the Justice Ministry and the courts on how to expedite the handling of those cases. I personally think that it should be made easier for prosecutors' offices to do their work in those areas, perhaps by giving them more personnel. It is intolerable that no one is being held responsible for the irregularities, which are beyond question, and consequently the government will have to do something.

[Jakomin] There has been a lot of bad blood recently over the government's thinking about having the state tax privatization shares and trading in them.

[Rop] That issue is being regulated at the same time as regulation of the secondary capital market. There is still no final decision on it, but we are thinking not so much about taxing the first sale of the privatization shares; it would clearly be better to tax the second sale, primarily when there are speculative sales of securities. In that way citizens would be encouraged to sell the privatization shares as late as possible, which means in other words that over the years the initial tax rate would decline toward zero.

[Jakomin] Many enterprises that have been already been dealing with the privatization project for two years are criticizing the work of the Agency for Restructuring and Privatization. They think that the Agency is too administrative and that it is also for that reason that privatization is not going as fast as it could otherwise.

[Rop] I am also familiar with those accusations by enterprises myself, but that is only one side of the coin. The Agency, in fact, is also responsible for oversight over privatization, and therefore must thoroughly review the programs, statutes, opening balances, and already completed transactions after the initial approval is obtained. There will be a price for delay, because later on it will not be necessary to correct those mistakes retroactively.

[Jakomin] Many enterprises could have planned their programs differently if they had known in advance about the government's latest proposal, which offers a write-off of the tax on profits if enterprises allocate those profits for privatization. Why are you changing the rules in the middle of the game? Doesn't it seem to you that the conditions for privatization are thus no longer equal for everyone?

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[Rop] We necessarily have to keep adapting the rules of the game to life. That also applies to the latest change, which represents progress for all enterprises, because the tax break applies to funds reserved for internal purchase. Consequently, no enterprise will be harmed; only perhaps some individuals may be harmed from the standpoint of a capital profit.

[Jakomin] In the privatization process, one can constantly perceive a sort of fear of a sell-off. Is foreigners' interest in Slovene enterprises really that strong?

[Rop] According to my assessments and experiences, there is very high interest. Foreigners are well-informed about events in our country, and their attention is focused. They know precisely which enterprises are of interest and how much they are worth, and they often cherish the illusion that the state might also help them to acquire shares in an individual enterprise. We tell them, however, that they can only talk about it at the individual enterprise. There is a certain possibility that harmful sales of enterprises could occur. That is why the state's task is to make sure that there is suitable systemic protection and to prevent harmful takeovers of enterprises, and avoid the phenomena some West European countries have experienced.

[Jakomin] The state allegedly rejected a law on foreign investments because certain government circles, along with Davorin Kracun, minister of economic relations and development, thought that the law had too many restrictions....

[Rop] It is true that a law on foreign investments had already been prepared. We determined that it included several unusual restrictions that could cause us difficulties with the EU [European Union]. In talks with experts from foreign financial institutions, we determined that modern European countries do not even have laws on foreign investments. Analyses of foreign legislation showed that that area is usually regulated abroad by a law on financial transactions with foreign countries and a law on enterprise takeovers.

[Jakomin] Can you say something more about the latter?

[Rop] We have already prepared a draft of that law, and in it we made the positions of foreign and domestic investors equivalent. The essence of that law is that it prevents an anarchic seizure of controlling or managing shares in enterprises, and at the same time protects small investors. Specifically, the one who wants to carry out a takeover has to inform all the stockholders of his intention, and announce it publicly. He must prepare a written offer regarding it, in which he has to specify what he intends to do with the enterprise, the investments, and the employees, and at the same time he has to explain the sources of the funds with which he intends to take over the enterprise. Consequently, there can be no money-laundering. The prospectus will probably be confirmed by the Agency for the Securities Market, and the Office for the Protection of Competition also has to give the green light, i.e., its approval. Furthermore, the one who wants to conduct the takeover, i.e., the buyer, may not reject any stockholder when repurchasing shares.

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Federal

Milosevic, Foreign Ministers Discuss Peace

LD0103224995 Belgrade TANJUG Domestic Service in Serbo-Croatian 2218 GMT 1 Mar 95

[FBIS Translated Text] Belgrade, 1 March (TANJUG)—This evening, Slobodan Milosevic, president of the Republic [of Serbia] again received the political directors of the foreign ministries of Great Britain, France, and Germany. Last week he discussed the current issues concerning the future of the peace process with them.

They continued exchanging views on the steps that need to be taken in order to ensure a positive development of the peace process, the office of the president of the republic has announced.

The Federal Republic of Yugoslavia supports the speedy resumption of the negotiating process in the former Bosnia-Herzegovina and its successful completion on the basis of the solutions offered in the contact group's peace plan, which, as is known, our country upheld.

There is no doubt that the path toward a stable peace and a political solution to the crisis requires the international community to take the essential steps of, first of all, lifting the sanctions and then of creating conditions for the resumption of both the negotiating process in the former Bosnia-Herzegovina and the talks between Knin and Zagreb, as a way of reaching a political solution.

Yugoslav Foreign Minister Vladislav Jovanovic also attended the talks.

Jovanovic Praises Military Accord With Russia

LD0103172495 Belgrade TANJUG Domestic Service in Serbo-Croatian 1454 GMT 1 Mar 95

[FBIS Translated Text] Belgrade, 1 Mar (TANJUG)—The agreement on military cooperation signed by the defense ministers of the Federal Republic of Yugoslavia [FRY] and of the Russian Federation strengthens bilateral relations between the two countries. It is also a document for peace and security in the whole region, Yugoslav Foreign Minister Vladislav Jovanovic said today.

In a statement for Radio Yugoslavia, he pointed out that the agreement signed in Moscow yesterday will be implemented only after the sanctions against the FRY are lifted because they are a formal obstacle which Russia, just like all other countries, must respect.

"The Yugoslav side understands these reasons and does not insist on the violation of the sanctions," Jovanovic stressed.

"The Yugoslav side also believes that the readiness of an increasing number of countries to cooperate with the FRY is a kind of pressure on the international community to lift the sanctions," he added.

"This is also a signal to the UN Security Council that many countries are not ready to extend the sanctions against the FRY for a further long period of time," Minister Jovanovic said in conclusion.

'RSK Able To Fend Off Possible Attacks'

AU0103213595 Belgrade VECERNJE NOVOSTI in Serbo-Croatian 25 Feb 95 p 5

[Unattributed report on statement by Foreign Minister Vladislav Jovanovic; place and date not given: "We Shall Defend Ourselves With All Means Available"]

[FBIS Translated Text] To the question of whether his statement for THE NEW YORK TIMES—that in the case of an attack against the republic of Serbian Krajina [RSK], Yugoslavia will respond with all means available—was quoted accurately, Minister Jovanovic said:

"I have never stated anything like that to anyone, including THE NEW YORK TIMES. It is obviously all an incorrect interpretation. I clearly said that Yugoslavia would defend itself with all means available if it was attacked. I also said that the RSK was able to fend off possible attacks alone and, by its actions, to dissuade the enemy from further attacks. If it really comes to an unfavorable development of the situation in Krajina, our attitude is that we would subsequently take a proper stance regarding the new situation.

"On the international plane, our diplomats have been warning of the possible negative development and demanding actions aimed at preventing it, in the first place by positive steps toward reestablishing peace in the region. focus of all our talks with the international factors has been the search for and mobilization of positive ideas and people who would work out a proposal that is acceptable for all sides in the Yugoslav conflict," Jovanovic said.

Answering the question of what the Serbian diplomatic corps has done to prevent the bloodshed that may possibly come about if UNPROFOR [UN Protection Force] leaves Croatia and after the four month cease-fire in former Bosnia-Herzegovina, Minister Jovanovic said:

"Because of the arms supplies channeled to the former Bosnia-Herzegovina and the Croatian announcement of an offensive against the RSK, we and the international factors are trying to respond to the situation by increasing the dynamics of the peace process. In that regard, we are endeavoring to explore opportunities for and ways of preventing such a negative development and to secure progress in the current peace process in time. Of course, we firmly support peace and a peaceful, political solution, which is quite apparent. We are trying to contribute to that by our contacts with all sides. Of course, we always point out that the progress in the peace negotiations will be essentially feasible and possible if the sanctions against Yugoslavia are lifted, which would mean the reestablishment of its equal position."

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Citizens Chamber Endorses Agreement With Russia

LD0103202095 Belgrade TANJUG Domestic Service in Serbo-Croatian 1724 GMT 1 Mar 95

[FBIS Translated Excerpt] Belgrade, 1 Mar (TANJUG)—The Chamber of Citizens of the Federal Assembly today endorsed the law confirming the agreement between the Federal Government and the Russian Federation Government on trade and economic cooperation. The agreement is the legal framework for the improvement of economic cooperation between the two countries, when the sanctions are lifted.

Under the agreement, Yugoslavia and Russia grant each other the status of most-favored nation and accept free transit of goods in line with the GATT.

Nikola Sainovic, the deputy prime minister of the Federal Government, said that the agreement marked the beginning of Yugoslavia reestablishing relations with the world and created preconditions for lasting and long-term relations between the two countries, on the basis of a market economy.

Sainovic added that the agreement gave considerable impetus to the economy and entrepreneurship, and that many agreements have been reached on the basis of it. Many more will follow. [passage omitted]

Evaluation of 'Centa' Military Exercise

95BA0152B Belgrade VOJSKA in Serbo-Croatian 20 Oct 94 p 8

[Article by M.M.P.: "Pilots in a New Situation"]

[FBIS Translated Text] While members of the Supreme Defense Council and the top officers of the Army of Yugoslavia waited calmly in the improvised observation post at the Centa exercise ground for the firing to begin and caught sight of the targets that somewhat later would be hit by the MiG's, Oraos, Supergalebs, and Gamma helicopters, the journalists were subject to the usual nervousness over the dilemma: Would they manage to record the most important details of the exercise? After all, our elite fighter-bombers and assault planes were to operate against targets on the ground in a small space and in a short period of time. The target consisted of tanks, bunkers, columns of combat and noncombat vehicles, command posts, personnel, and fortifications.... In contrast with similar earlier exercises, this was an entirely new situation for the pilots, a situation that in certain elements was more difficult than an actual one would have been. Not only because on the eve of the exercise they did not know a single thing about the terrain and targets against which they would operate, but because in a small space with a high concentration of targets they were put in a situation of seeking out and hitting precisely their own targets that they had seen only on aerial photos.

The first Orao flew over and photographed the terrain, and soon the MiG's in the exercise operated against "enemy" fortifications and personnel, accurately dropping conventional and cluster bombs that made the earth tremble. After that, four MiG-29's, imitating an air battle, confirmed the high level of training of our pilots and the splendid flying and combat characteristics of the aircraft whose development began in the Mikoyan design office in the late 1960's. While the pilots were performing authentic acrobatics in the air, the journalists could not resist a close examination of the security of the airborne virtuosos for the umpteenth time. They got their answer from their colleagues, those more familiar with aircraft, who recalled the exhibition at Le Bourget in 1989, when (in an accident) the effectiveness of the ejectable pilot's seat in the MiG-29 was unintentionally demonstrated in that the pilot, alive and well, sent greetings from the air to the surprised and enthusiastic public at the air show.

The power of the MiG-21 and especially the MiG-29 was announced by the breaking of the sound barrier and confirmed by the precision and strength of the action against targets on the ground. Aerial bombs (250-kg) and also nonguided C-24 missiles with a 25-kg payload were used, and this is only part of the capability of these aircraft, which have a world reputation. The MiG-29, as is well-known, is distinguished by its up-to-date electronic and optoelectronic equipment. It can follow as many as 10 targets simultaneously and fire on one target. Its radar has a range up to 100 km, and it can observe and fire in the lower hemisphere and acquire a target at about 60 km. For waging combat in the air, the airplane is equipped with radar-guided medium-range missiles, infrared homing missiles, and short-range missiles. All the missiles can be fired on the way to the target or on the return trip, and the MiG-29 has a 30-mm cannon installed for close-range combat. In missions of attacking targets on the ground and water, it can carry on racks under the wings as much as 3,000 kg of a wide assortment of explosives, conventional and cluster bombs, and guided missiles in a variety of calibers.

After the MiG's, the Oraos and Supergalebs, domestic products adapted to our region, flew over from the airfield; with their nonguided 128- and 57-mm missiles, they demonstrated the ability of our planes to turn up in the enemy's zone at "rifle range" when he least expects it and to hit assigned targets and safely withdraw from the danger zone.

The actions at the Centa exercise ground were concluded by the Gamma helicopters and Gazelles armed with Malyutki, which duly confirmed the importance of helicopter forces in combat operations. Although for economy's sake only two Malyutki were used, observers of the exercise had an occasion to see for themselves how individual helicopters and small groups, taking advantage of surprise, the short time they spent in the target area, and various tactical procedures, could be effective in destroying armored vehicles and other targets on the

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enemy side. For economy's sake, they did not show concentrated actions in which a large group of armed helicopters operate simultaneously against one target. Nor did they demonstrate other capabilities, nor action from several directions, what is referred to as the death circle, which was used very commonly in the wars in Vietnam and Afghanistan as well as in other local wars. The essence is that several helicopters (four to eight) operate from a circular baseline in carrying out the attack. Fire is opened against every piece of combat equipment that is detected.

Serbia

Red Cross Official Denies Allegations of Camps

AU0103210895 Belgrade NASA BORBA in Serbo-Croatian 1 Mar 95 p 9

["Z.M."- initialed report: "There Are No Captives, There Were Prisoners"]

[FBIS Translated Text] Representatives of the Red Cross in Nis yesterday denied allegations by the Croatian official authorities—recently broadcast by Independent Television Studio B—that certain Croatian citizens "are being held captive in the vicinity of Nis and in the Aleksinac mines."

I responsibly claim that in the areas from Razanj to Presevo and from Blac to Dimitrovgrad there is not a single camp in which a single person is being held captive in any way. In this area, we have refugee reception centers housing Serbs, Croats, and Muslims. All of them have equal refugee status. We do not discriminate in any way regarding their treatment, said Stojan Prokopovic, Red Cross secretary in Nis.

Prokopovic added that in reception centers in Velika Kopasnica near Leskovac, and in Rtanj there are Muslims who fled the area of the former Yugoslavia. There are 27 refugees in the reception center housed in a high school in Divljani near Nis. It is possible that there are Croatian citizens among them, but we have not checked to see which of them have declared themselves as such, said Prokopovic, and stressed that they all have refugee status and are "free and cared for."

Illustrating his claim, Prokopovic said that the women refugees from the former Yugoslavia, housed in the Kursumlija spa, elected a Croatian woman to be their "chief." According to him, her sister—from Croatia—recently paid a visit to her and her children. The sister's safety was guaranteed.

Prompted by stories of Croats imprisoned in the Aleksinac mines, we learned from the Nis Red Cross that, last year, representatives of the International Committee of the Red Cross [ICRC] paid a visit to the area and established that "there is no trace of a camp here." Representatives of the Nis Red Cross added unofficially that, towards the end of 1991, a group of 105 members of the Croatian National Guard were "taken care off" in the Nis penitentiary. At the time, the group was visited by Sandra Blaze from the ICRC who investigated how they were being treated. Today, this group of troops is no longer in the Nis penitentiary because they have all been released, Prokopovic claimed.

Vojvodina

Poll Shows Minorities Enjoy Equal Rights

LD0103175595 Belgrade TANJUG in English 1718 GMT 1 Mar 95

["Pool" item]

[FBIS Transcribed Text] Subotica, March 1 (TANJUG)—The majority of members of national minorities in Serbia's Autonomous Province of Vojvodina feel that their rights are not threatened by Serbia's and Yugoslavia's political systems.

A poll conducted by the Public Opinion Research Centre in the Vojvodina capital of Novi Sad has shown that 84 percent of ethnic Hungarians consider Yugoslavia to be their country, 90 percent of ethnic Romanians, 95 percent of ethnic Slovaks, and as many as 97 percent of Ruthanians.

According to the poll, which covered 1,000 households of Hungarian, Romanian, Slovak and Ruthanian nationality, members of national minorities feel insecure only in the face of excesses by extremists in their immediate environment.

Asked whether ethnic relations in Serbia's northern province had deteriorated in comparison with five years ago, 50 percent of the polled said they thought there was no difference. About 20 percent said ethnic relations were good but not as harmonious as in the former Yugoslavia, 25 percent said they were far worse, and 5 percent declined to answer the question.

The poll has show that problems in education, information and cultural affairs were practically negligible, since the majority of the questioned members of national minorities said they were exercising their rights in the respective domains without encountering any difficulties.

According to the 1991 census, Vojvodina had a population of about two million, with Serbs accounting for 34.21 percent and ethnic Hungarians coming only second, with 16.94 percent. Vojvodina's population comprises members of 27 peoples, national minorities and ethnic groups.

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